Sample Office Products Company

Business Risk



Brought to you by Sample Name

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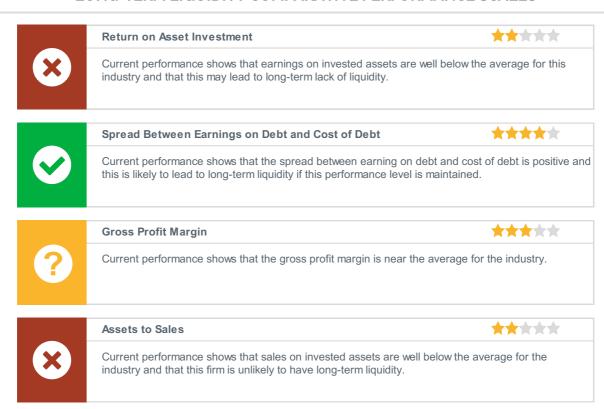


Business Risk Main Component Scales



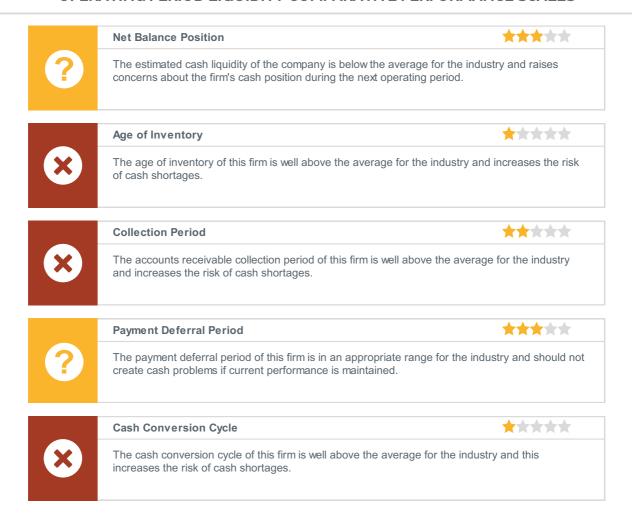
It is estimated that this company will have long-term and current operating period liquidity that will allow for satisfactory loan payment performance. See the following analysis to assess the estimated risk of loan payment performance.

LONG-TERM LIQUIDITY COMPARATIVE PERFORMANCE SCALES





OPERATING PERIOD LIQUIDITY COMPARATIVE PERFORMANCE SCALES



RISK SCORE: 45 %



Subjective Evaluation

GENERAL EVALUATION PERFORMANCE SCALES

Management Team





How does the management team of the firm compare to leaders in the industry? If the firm is small, are advisors used to provide management functional area expertise? When evaluating the management strengths of the applicant, consider the following: Training and experience of key managers; The owner and/or top management; Are all functional areas of management covered adequately; The board of directors or advisors (successful companies use boards); The quality of the attorney and accountant used by the firm; The quality and compatibility of investors (if any); and, Equity or incentive plans to retain key managers; The use of consultants, especially peer consultants through organizations such as TEC.

Market Viability





When assessing the market viability for the firm, consider the following: Is their a clear market definition both in terms of demographics and geographic area served?; Is the market segmented with a clear position for the firm?; Are there any environmental trends that may have an impact on the market?; and What is the market structure and position of the firm in this market?

Product/Service Viability





Is there a clear product/service definition that identifies customer needs? Does the product/service have a sustainable competitive advantage? Does the firm have a demonstrated sustainable advantage when compared to competitors?

Financial Management





When evaluating the financial management of a firm, look at the benchmarks to determine if financial performance has been demonstrated in the past. You also should look at the following: Does the company prepare sales forecasts, cost analysis, marketing and sales plans, pro forma income statements, pro forma balance sheets, pro forma cash flow statements, pro forma capital budgets, financial evaluations, animation from budget financial decision making. Is the company willing to use financial analysis and decision-making software?

Risk Identification and Management





Has the company identified key risks, evaluated the risks and probability of occurrence, and made contingency plans for risk management?

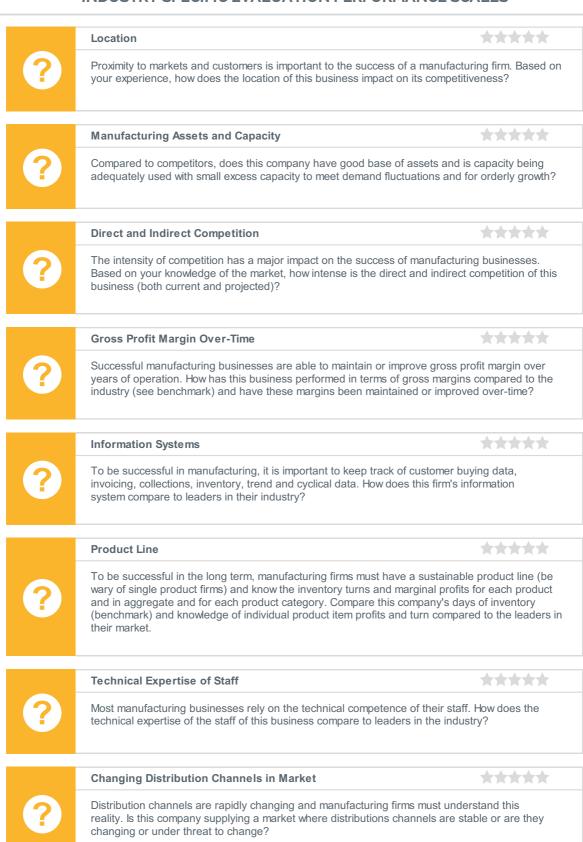
RISK SCORE: 45%





Industry Specific Subjective Evaluation

INDUSTRY SPECIFIC EVALUATION PERFORMANCE SCALES







Supplier Mix

Does this company have a healthy supplier mix that would allow for the loss of some suppliers? Does this business have good supplier contract protection (be wary of single source supplier situations)?

Reliance on a Small Number of Key Employees





Successful manufacturing firms have multiple employees trained and experienced to perform all key functions. Firms are vulnerable if the owner or only a few key employees are relied on for critical functions of the company. Does this firm have multiple people trained and experienced in all critical areas of operation?

RISK SCORE: 45 %