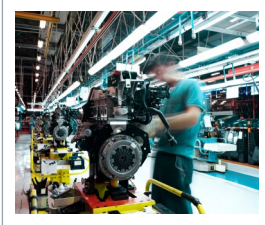




Quick Map Report

Business Activity

Creation or Extraction of Goods



Manufacturing, Design, Mining, & Agriculture industries.

Finished goods are created by the transformation or discovery, often in specialized stages, of raw materials or components using machinery, energy, labor, or other materials.

Industry

Manufacturing:

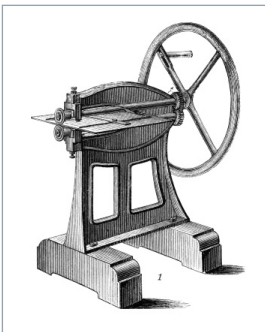
Market Size & Benchmarking

In the U.S., 288,000 manufacturing organizations account for approximately \$5.3 trillion in sales. The average manufacturing firm employees 47 people at an average annual salary of \$47,000.

Competitive Dynamics & Market Trends

The market is fragmented with the largest 50 organizations accounting for less than 50% of total sales, typically to mass markets. Historically, production & distribution efficiencies have been critical success factors in the capital-intensive manufacturing industry. Large manufacturing organizations realize competitive advantage through brand position, deft management of their supply chain, by sourcing labor and raw materials from a global market, and through skillful management of tax liabilities. Increasingly, technology advances are allowing smaller, local, and even micro businesses to profitably serve niche and local markets through use of LongTail techniques or by occupying prime value chain positions while outsourcing, insourcing, or opensourcing lower value activities to 3rd party firms sometimes half way around the world.

Manufacturing organizations of all sizes are beginning to compete more fiercely for top people as well as for the best inputs and systems. They are also under increasing pressure to develop and market new or better products or find themselves left behind by their competitors.



Origin to Now

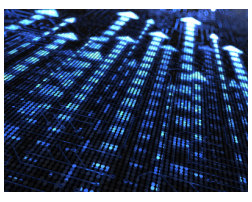
Modern manufacturing has its roots in the apprenticeship guild system, organizations which closely held tools, skill-sets, and trade secrets. Evidence of rudimentary supply chains is visible in tool manufacturing in which specialized workers created semi-finished materials for additional processing. After the industrial revolutions increased production capacities by an order of magnitude, the 20th century brought an almost singular focus on efficiency. Scientific Management, spearheaded by Frederick Winslow Taylor through his work process study films of lathe operators dominated manufacturing process improvement practices throughout the 20th century. Echoes of Taylor's scientific approach are present in

modern day efficiency practices such as TQM, Six Sigma, and lean manufacturing.



Lifestage

Emerging



Strategy Focus:

Invest in growth, retain customers, reconstruct or manage business model. The successful emerging organization is actively managing its business model while realizing strong sales growth through an expanding customer base. With growth, it is important that a firm maintain quality or risk failing to convert one-time buyers into loyal repeat buyers. If an organization is unable to sufficiently retain customers as well as attract new customers, growth will be short-lived. If gross

margins are insufficiently high, an emerging organization will have to reconsider its cost structure. If cost cutting does not increase gross margins or cannibalizes revenue, the business model itself may need to be reconstructed. During this phase, it is also important to maintain growth momentum by investing in marketing, advertising, and further developing sales channels. With some initial success, competitors may begin to appear. To avoid price wars, many emerging firms will add additional features or functionality or focus on outstanding customer service. Companies with substantial resources might try to double down on promotions, price discounts, and advertising in an effort to buy market share and thus discourage competition.

Legal Structure

S-Corp

An S-Corp is similar to a C-Corp in terms of limited liability, filings and structure. Differences between S and C-Corp's exist with regards taxation as individuals looking to pull money out of the corporation may do so without facing the C-Corp's double taxation. Before pulling these profits out, however, all owner employees must first be paid a reasonable salary. S-Corps also allow a limited number of investors to pass losses through as write-offs. A poor structure for the issuance of employee stock options, S-Corps require more legal work to administer and grow less flexibly than C-Corps.

The above does not represent legal advice. Before making decisions on all legal matters, The Strategy Constellation recommends you consult a lawyer.

Size

Midsized

Firms with between 100-500 people and \$25-\$50 mm in annual revenue are considered midsized. Organizations typically pass through the midsized stage quickly on their way to becoming large, or settle into a comfortable midsized position providing a differentiated product or service to a niche market. With the rapid pace of change facing industry and markets everywhere, midsized firms will need to continuously innovate or improve their profitability through additional revenues or cost streamlining. Midsized firms cannot compete on price against large firms and competing on price against a host of smaller players is a zero sum game.



Business Models

Over the years, business models have been built around combinations of the following:

- Customer Relationships: T. Rowe Price
- Infrastructure: Comcast
- First Mover Advantages: Coke
- Value Innovation: Cirque Du Soleil
- Niche Plays: Bentley
- Freemium Offerings: Twitter
- Network Effects: Facebook
- Economies of Scale: Wal-Mart
- Subscription: AT&T
- Product or Service Innovations: Cloud hosting
- Market Share & Experience Curves: Texas Instruments
- Product Differentiation: Hermes
- Monopoly/Oligopoly: Exxon/OPEC
- Multi-sided Platforms: Groupon
- The Long-Tail: Lulu
- Economies of Scope: Amazon.com
- Many others



Whether intentionally or not, most organizations employ unique combinations of several business models at once. Finding the right combination is both an art and a science. Advisor Led and Vision Mapping are specifically designed to help you analyze your deep details and their interdependencies so that you can find that optimal mix.

What is Advisor Led Mapping?

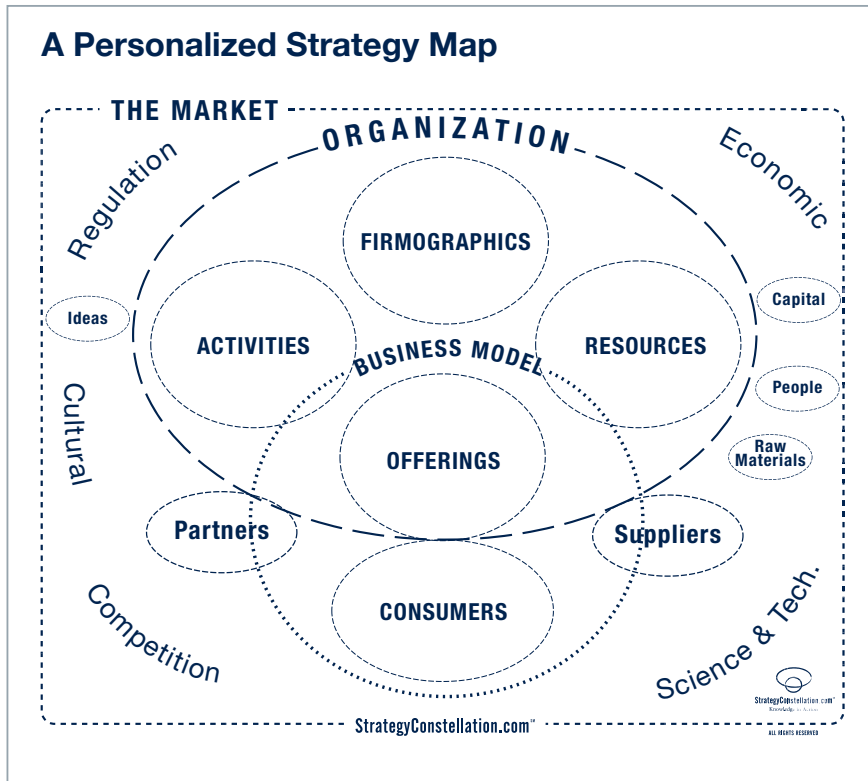
The Process:

With the help of an advisor, you'll fill out a strategy map featuring 50-120 qualitative and quantitative inputs. Shaped and sculpted by your inputs and by the business acumen of an expert advisor, you'll receive the following deliverables:

Advisor Led Deliverables:

- A Personalized Strategy Map
- Deep Industry Details*
- Custom Financial Projections
- Custom Strategy Recommendations*

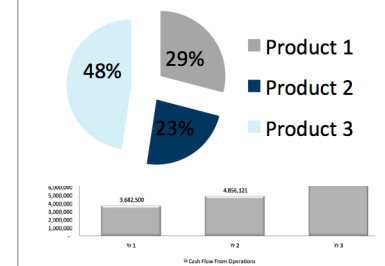
*See full sample advisor led map report online at StrategyConstellation.com



Custom Financial Projections

Financial Statement Highlights	Yr 1	Yr 2	Yr 3
Revenue	7,155,000	9,659,250	13,039,988
Gross Profit	3,747,500	4,921,121	6,451,619
Gross Profit Margin %	52%	51%	49%
Customer Acquisition Costs	20,000	20,000	20,000
CA as a % of Gross Profit	1%	0%	0%
Overhead	4,000	4,000	4,000
Overhead as a % of Gross Profit	0%	0%	0%
Product Development	25,000	25,000	25,000
PD as a % of Gross Profit	1%	1%	0%
Total Expenses	49,000	49,000	49,000
Net Income	3,482,500	4,696,121	6,258,619
Net Profit Margin%	49%	49%	48%
Ending Cash Balance	4,882,500	9,738,621	16,125,241
EBITDA	3,698,500	4,872,121	6,402,619
Valuation Multiple	4.00		
Company Valuation with 4 X Multiple	14,794,000	19,488,485	25,610,478

Gross Margin by offering Year 1



Register for an Advisor Led Mapping session online at

