



## MPN Salability Index©

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**Company Name:**

**Respondent:**

**How Salable is your company? These 25 questions will give you the answer.**

*Choose the answer that best applies to your Company's current situation*

**Enter your point score**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	
	<b>(10 points)</b>	<b>(5 points)</b>	<b>(3 points)</b>	<b>(0 points)</b>	<b>(-5 Points)</b>	
1 The growth rate for your industry as a whole is:	Booming	Strong	Steady	Flat	Declining	
2 Your current written business plan is:	Tied to every employee's performance criteria	Reviewed by management at least monthly	Updated annually, but not part of daily operations	Outdated	We've never done a business plan	
3 The cost to start-up a company in your business (not including working capital) is:	High (over \$1MM)	Substantial (over \$100K)	Moderate (\$25K to \$100K)	Low (under \$25K)	Just print business cards	
4 The minimum skill level that running this business requires is:	General exec./mgmt. experience	Experience in the industry	Detailed or specific technical knowledge	Permits or regulatory filing for each job	Licenses requiring >1 yr. to get	
5 The percentage of our revenue from your single largest customer is	less than 5%	5% - 15%	15%-25%	over 25%	Over 50%	
6 Your Vendors are	Bound exclusively to you by contract	Selling only through a limited number of outlets	Selling through anyone who qualifies	Selling to anyone	Competing with you	
7 Your Company's Products and/or services are	Unique- no one else has them	Hard to find	Sold by educating customer as to need	Only sold in special situations	Sold on price alone	
8 Your competitors are	None - you are the only supplier in the market	Few- Limited to other licensees or authorized outlets	All well established- few ever go out of business	Numerous both large and small, local and national	On every street corner	
9 Your facility and equipment are	State of the art	Serviceable at this time	Already at or above capacity	Need substantial upgrading	No facility or equipment	
10 Your Company's Organization has	A manager is in full charge of each functional area	A few managers, but not all are keepers	One or two key employees that you are dependent on	A few technicians who generate all your revenue	No managers- you do it all	

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	(10 points)	(5 points)	(3 points)	(0 points)	(-5 Points)	
11 Your computers and technology are	All proprietary systems	State of the art	Updated every 2 years or so	Working, but outdated	Not computerized	
12 Your company's marketing plan is	Written and executed on an annual schedule	Written, but you don't always follow it	Planned 3-4 months in advance	Marketing is done when you need to	You do not engage in organized marketing	
13 Your business processes and procedures are	Fully documented and followed by all employees	Documented, but hard to keep up to date	Some checklists for basic functions	Known by all employees via training	In your head	
14 The current debt (including debt to or guaranteed by the owner) related to the business is	None	Building and equipment (B&E) only	Less than 1 month's revenue w/o B&E	More than 3 months revenue w/o B&E	More than 6 months revenue w/o B&E	
15 Your knowledge regarding the tax effect of selling the business is	You have structured the company to minimize taxes on sale	Current and updated regularly with a tax professional	You had the impact assessed some time ago, but it isn't current	Sketchy: You have a net number in mind, but aren't sure it's realistic	You don't know how taxes may impact the sale	
16 Your customers are	Committed to you via long term agreements with specific scheduled spending	Under contracts where you bill for each service	Under agreements where you provide service for flat monthly or annual fees	Recurring. They call you over and over again on a regular basis	One time only - no repeat business	
17 Your financial records are	Current on a daily basis, and can run ad hoc reports as needed	Generated monthly within 15 days after month-end	Usually a month or two behind	You only account for part of the revenue - You don't track cash through the system	Your records are not current or computerized	
18 The company's demand on your time is	Minimal - you come and go as you wish	You take at least 4 weeks off per year	On vacation, you call in 1 or 2x a week	Vacations require you to call-in daily	No vacation in recent memory	
19 Your company's profitability (in dollars) is	Increasing for at least 3 years running	Steady	Up and down with revenues	Declining	Not profitable	
20 Your company's profitability as a percentage of revenue is	Increasing at least 3 years running	Steady	Revenues are up, but profit as a % has declined	Declining	Not profitable	
21 Your taxable salary as an owner is	Over 10% of revenue	5% - 10% of revenue	Less than 5% of revenue	Depends on how the business does	Not taking a salary	
22 Your other benefits (insurance, auto, travel, bonuses, etc) from the company are	Equal to or greater than your salary	Between 50% - 100% of salary	Between 25% and 50% of salary	Less than 25% of salary	Few or no other benefits	

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	(10 points)	(5 points)	(3 points)	(0 points)	(-5 Points)	
23 After you sell the company, you plan to:	Pursue a specific interest	Look for another business	Retire from business	Get a job	Don't know	
24 Your company's annual revenues are	Over \$10 million	Between \$2 million and \$10 million	Between \$500K and \$2MM	Between \$250K and \$500K	Under \$250K	
25 Your time frame for selling is	Any time within the next 5 years	Within the next 3 years	One to two years	Less than one year	Less than 6 months	
<b>Total</b>						<b>0</b>

Points

**Your score:**

Over 100 points

**Salability Scenario**

Your company is probably attractive to a number of buyers. Key factors will include documentation, marketing and negotiation of transaction structure.

80 to 100 Points

Your company is a viable candidate for sale to a third party, but there are certain qualifications that may limit the number of potential buyers.

50 to 80 points

Price and seller financing will be a major consideration, and finding a buyer will be challenging. Improvements in key areas could substantially impact your sale price.

less than 50 points

Your company is not currently an attractive candidate for acquisition. Consider getting assistance in preparing it for sale.

