All growth opportunities – no matter how attractive they appear – have inherent viability and risks. The **Assess Opportunities from the Bottom Line Up Workbook** was developed to help you assess your company’s opportunity for growth. This growth opportunity can be in the form of new or enhanced products or services for your company.

By using this **Bottom Line Up Assessment**, you will learn to analyze opportunities first qualitatively, then quantitatively. This will help you determine not just those opportunities you can pursue, but those you should pursue.

By Mary Goodman and Rich Russakoff
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### PHASE 1

**ASSESS THE OPPORTUNITY (MODEL) QUALITATIVELY**

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### PHASE 2

**QUANTITATIVE ASSESSMENT – PEOPLE, TIME, AND MONEY**

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<td>Time</td>
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### PHASE 3

**MEASURE, MONITOR, MANAGE**

| Milestone                   | 28, 29, 30 |

*All truths are easy to understand once they are discovered; the point is to discover them.*

—Galileo Galilei 1564-1642
PHASE 1

ASSESS THE OPPORTUNITY (MODEL) QUALITATIVELY – IS THE OPPORTUNITY FIT FOR THE PURPOSE AND COMMERCIALLY Viable?

The qualitative process focuses on:

PURPOSE Determine the strategic value.
PEOPLE Identify who will choose, use, pay for, and profit.
PROCESS Understand the impact on company operations.
Will resources be working in harmony or discord?
PROFIT Define the value to each stakeholder – owners, customers, vendors, employees and community.
Describe your current statement of purpose or value proposition:


List your core values:
1. 
2. 
3. 
4. 
5. 

“Whenever we’ve done the right thing, we’ve made money.”
—Yvonne Chenard Patagonia, INC.

List your core competencies and principle assets – your ‘Secret Sauce’:
1. 
2. 
3. 
4. 
5. 

What is the new opportunity? What do you want to accomplish?


How will it add value? Or conversely, what is the problem it will solve? Why is it important?


Will it dilute the company’s focus and/or value?
- Yes
- No
- Undecided

PIVOTAL PURPOSE QUESTIONS:

Is the opportunity that you are vetting consistent with your core values?
- Yes
- No
- Undecided

Is the opportunity that you are vetting consistent with your core competencies?
- Yes
- No
- Undecided

Are you passionate about the opportunity that you are vetting?
- Yes
- No
- Undecided

- If you answered YES to all of the last three questions continue with the next section.
- If you answered NO to any of the last three questions do NOT continue. Go back to work, play golf, or go home to your family.
- If you answered UNDECIDED to any of the last three questions, please review your earlier answers. Then, if you are still undecided, continue.

Notes:


List any other opportunities or ideas identified as a result of this assessment:


Assess Opportunities From the Bottom Line Up!
(You can do anything you want but … you can’t do everything)
PEOPLE: CUSTOMERS

Describe your target customer. Who will use the product or service?

________________________________________________________________________________________________________________________________________

What will be the benefit to them?

________________________________________________________________________________________________________________________________________

Will the person that uses the product/service be the same as the person who chooses or purchases the product/service? (e.g. toys – parents/children, equipment – managers/workers, benefits – employers/employees).

☐ Yes
☐ No
☐ Don’t Know

What will be the benefit to the purchaser if she/he is not the same as the target customer?

________________________________________________________________________________________________________________________________________

Will the new product or service target current customers or new customers?

☐ Current Customers
☐ New Customers
☐ Both
☐ Don’t Know

How will it impact your customer base? Will it increase or decrease your:

Market share

________________________________________________________________________________________________________________________________________

Average order size

________________________________________________________________________________________________________________________________________

Overall sales

________________________________________________________________________________________________________________________________________

Purchasing

________________________________________________________________________________________________________________________________________

Will the opportunity enhance or burden existing customer service?

☐ Enhance
☐ Burden
☐ Don’t Know

STOP

If you have not, create this as an action item. Do not proceed with the opportunity until you have done at least some of these.

Notes:

________________________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________________________

Assess Opportunities From the Bottom Line Up!
(You can do anything you want but … you can’t do everything)
PHASE 1

Assess Opportunities From the Bottom Line Up!
(You can do anything you want but … you can’t do everything)

PEOPLE: VENDORS & COMPETITORS

Will the opportunity (new/enhanced product or service) require new vendors/suppliers in place of or in addition to current vendors/suppliers?
- Yes
- No
- Don’t Know

Can you obtain the supplies or services you need from different vendors or will the opportunity be dependent on one or two?

What will be the benefit to the vendors or suppliers?

Who are the primary competitors for the proposed product or service?

How are they likely to respond?

Notes:

PEOPLE: EMPLOYEES

Are your employees aware of and/or involved in this decision-making process?
- Yes
- No

Why?

How do or will your employees view the new opportunity or initiative?
- Will they see it as an opportunity for their professional growth?
- Will they see it as just more work with little reward?

Why?

What will be the overall benefit to your employees?

Notes:
Net Operating/Cash Conversion Cycle: The # days between disbursing cash and collecting cash.

For the proposed opportunity, identify the following cycles in number of days:

1. Sales Cycle
2. Inventory Conversion (if applicable)
3. Production or Service Cycle
4. Delivery Distribution Cycle
5. Collection Cycle (from invoice to receipt)
6. Payables Cycle

Add together the number of days from #1 through 5.  
Subtract the number of days from # 6.

*Net Operating/Cash Conversion Cycle

*This is an important number to keep in mind as you assess your cash needs.

Notes:

Estimate any and all additional costs.

The BLU Rule of Thumb: Double your estimate and add 20%

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<tr>
<th>CATEGORY</th>
<th>PER MONTH</th>
<th>PER YEAR</th>
<th>PER UNIT (IF APPLICABLE)</th>
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<tbody>
<tr>
<td>SALES</td>
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<td>DEBT SERVICE</td>
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<td>OTHER (LIST BELOW)</td>
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</tbody>
</table>

What is your anticipated return on investment? ____________

How much outside capital will you need? ____________

Where will you get the money? ____________

What will be the cost? ____________