

Allan P. Kirby Center For Free Enterprise and Entrepreneurship

Client Evaluation Rubric

<u>Value</u>	<u>Criteria</u>	<u>Target (3)</u>	<u>Adequate (2)</u>	<u>Unacceptable (1)</u>
	<u>Opportunity</u>			
	Market Demand <ul style="list-style-type: none"> Market Share Growth Potential Durability Access to Customer 	<ul style="list-style-type: none"> Customer payback is less than a year. Market Share and Growth potential is projected to be 20% annually, and it is durable. The customer is reachable. 	<ul style="list-style-type: none"> Customer payback is estimated to be approximately one year. Market Share and Growth potential is projected to be between 10-20% annually and is durable. The customer is reachable. 	<ul style="list-style-type: none"> Customer payback is beyond one year. Market Share Growth is unknown and growth potential is less than 10%, durability is unknown The customer is not reachable.
	Market Structure <ul style="list-style-type: none"> Market landscape Timeline of particular market. Proprietary barriers 	<ul style="list-style-type: none"> Market is imperfect, there are inconsistencies in existing services or great gaps in information and knowledge. The market is fragmented or emerging. There are no proprietary barriers to entry. 	<ul style="list-style-type: none"> The market has room for movement, and some inconsistencies in services or gaps in information and knowledge exist. The market is partially structured and has recently emerged. There are no proprietary barriers to entry. 	<ul style="list-style-type: none"> The market has room no movement, and few inconsistencies in services or gaps in information and knowledge exist. The market structured and is static. There are proprietary barriers to entry.
	Market Analysis <ul style="list-style-type: none"> Cost Provider Capital Needs Break Even Value Added 	<ul style="list-style-type: none"> Positioned to be the low cost provider. Low capital is required. Break even is 1 year. 	<ul style="list-style-type: none"> Positioned to be similar in cost to other providers Moderate capital is required. Break even is in 1-2 years. 	<ul style="list-style-type: none"> Positioned to be more expensive than other providers. High capital is required. Breakeven point is beyond two years.

	University Advancement	<ul style="list-style-type: none"> • There is opportunity for university licensing, royalties, and notoriety. 	<ul style="list-style-type: none"> • There is opportunity for university licensing and notoriety. 	<ul style="list-style-type: none"> • There is an opportunity for a university press release.
	<u>Team</u>			
	Founder(s)	<ul style="list-style-type: none"> • Has a record of accomplishment and relevant experience. • Possesses several skills required to effectively manage the team and grow the company. • Has identified gaps in the management team and time-line for hiring. • Demonstrates initiative and tenacity in all aspects which may include prior adversities. • Is open to advice and mentoring. • Accurately recognizes areas for improvement both personally and professionally. 	<ul style="list-style-type: none"> • Leader is resilient in some demonstrated failures or adversities. • Not intentionally dishonest or ingenuous, but fails to be open with shortcomings. 	<ul style="list-style-type: none"> • Leader does not demonstrate resiliency based on previous adverse experiences or failures. • Intentionally dishonest and not upfront with shortcomings.
	Team	<ul style="list-style-type: none"> • Exhibits commitment, determination and persistence. • Exhibits tolerance of risk, ambiguity and uncertainty. • Team has a high standard of performance and conduct. • Member roles are defined and implemented with skills and strengths are matched with member's purpose on team. 	<ul style="list-style-type: none"> • Team has a culture of avoidance of confronting failures. • Team sets standards of performance reviews but does not hold them accountable. • Member skills and strengths somewhat match with member's purpose on team. 	<ul style="list-style-type: none"> • Team has a culture of pessimism related to failures. • Team does not set standards of performance. • Member skills and strengths do not match with member's purpose on team.
	<u>Resources</u>			

	<ul style="list-style-type: none"> • Realistic Resource Planning • Bootstrapping • Assets, People and Relationship resources 	<ul style="list-style-type: none"> • Founder and team are realistic with the amount of money actually needed to start and operate the company for a period of three (3) years. • Exceptional frugality in preserving and expending resources. • Team is of the philosophy to do the most with limited resources. • 	<ul style="list-style-type: none"> • Inventor utilizes inferences within their scope of knowledge to estimate the amount of money needed. 	<ul style="list-style-type: none"> • Inventor has no concept of how much money is actually needed to start up.
			<ul style="list-style-type: none"> • Inventor attempts to keep resource and work balanced. • Assets, people and relationship resources are partially achievable. 	<ul style="list-style-type: none"> • Inventor is hesitant in amount of work without appropriate resources. • Assets, people and relationship resources are unrealistic, probably not achievable.
	Investor Attraction	<ul style="list-style-type: none"> • Profitability is likely to be achieved by year three (3) of operations. • Return of Investment within five (5) years is highly probable. • Relatively low cash infusion required depending on industry. • Dilution unlikely. 	<ul style="list-style-type: none"> • Team and product demonstrate some marketability to the target investor. 	<ul style="list-style-type: none"> • Team and product are not marketable to the target investor.