

Top 10 Value Drivers for IT Businesses

01

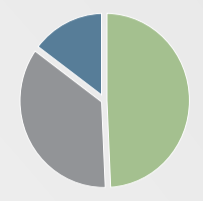
Revenue Growth



While healthy revenue growth during the last 2-3 years establishes credibility, a solid pipeline and projections for the current year and 12 months ahead creates value.

02

Gross Margin



One of the most important lines on the P&L. Ranges for IT Solution Provider businesses at one end, spanning to SaaS businesses at the other should be 18% to 65%+.

03

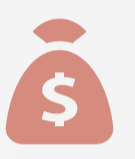
Customers



Avoid heavy concentration from only a few customers, with no one customer representing more than 10 percent of your total business. Demonstrate stability, strong relationships, and low turnover.

04

Predictable Cash Flow



Recurring revenue models solidify predictable cash flows, which demonstrates sustainable businesses.

05

Growth Markets



IT-enabled businesses in the Cloud, Managed Services, Mobile, SaaS and Social sectors are hot. Stay focused on your current offering, but identify high growth future markets to show vision.

06

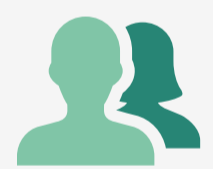
Intellectual Property



Comprised of trademarks, patents, copyrights or a developed process. Strong IP is a barrier to entry for competitors.

07

Human Assets



Create a reputation for attracting and retaining top talent, and be recognized as a great place to work. Have a quality "second in command" executive — with a low reliance on any one person. Motivate and compensate key leaders.

08

Financial Management



Credible financial oversight and smart management. Maintain minimal EBITDA adjustments within customary guidelines.

09

Alliances



Strategic relationships provide access to new customers and markets, increased brand awareness, and an opportunity to offer supplementary services to your existing customer base.

10

Scalability



A solid operating system and proven business procedures create an infrastructure capable of handling growth.

CONTACT:

To learn more about the IT Exchangenet, please contact:
Madeline Bleiweiss, Vice President, Business Development

(E): mbleiweiss@itexchangenet.com
(P): 925.951.4058