

TOP 10 VALUES DRIVERS FOR IT BUSINESS

Revenue Growth

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

1

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%.

2

Customers

Avoid heavy concentration from only a few customers, with not one customer representing more than 10 percent of your total business. Demonstrate stability, strong relationships, and low turnover.

3

Predictable Cash Flow

Recurring revenue models stability, strong relationships, and low turnover.

4

Growth Markets

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

5

Intellectual Property

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

6

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.

7

Financial Management

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

8

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.

9

Scalability

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

10

Contact:

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