

Getting To Know Your Company

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After you have done a quick look at the graph and made a preliminary decision that your company has some potential you need to make some forecasts about the future. Where do you start?

By answering a few questions about your company. *Note: you don't have to answer every question but the more you answer the better feel you will get for your company.*

1. What does the company do?
2. Does the company plan to grow by raising the “top” (sales) line?
 - a. Do they have a new product or service?
 - b. Do they have a new way of delivering a new product or service?
 - c. Have (or will) they create new business partners?
 - d. Are they building new stores? Or increasing sales at existing stores?
 - e. Are they increasing research & development to help build growth?
 - f. Are they raising prices on their products or services?
3. Does the company plan to grow by raising the “bottom” (EPS) line?
 - a. Do they have a new product or service?
 - b. Are they building new stores? Or increasing sales at existing stores?
 - c. Will profit margins increase?
 - i. By cutting costs?
 - ii. Raising prices?
 - d. Are they buying back shares?
4. Do they seek to grow from internal sources?
 - a. Is it from increasing market share?
 - b. Are they charging more for their product?
 - c. Do they possess a strong name brand?
 - d. Do they develop new products?
 - e. Did they find a way to bring the product to market cheaper?
 - f. Are they cutting costs? If so, is it across the board or in certain divisions?
5. Do they seek to grow from acquiring companies?
 - a. Is it in the same field as your company's core business?
 - b. Is it in the same field as your company's non-core business?
 - c. Is it in a different field altogether?
6. Is the state of the general economy driving the growth?
7. Is the trend of the industry driving the growth?
 - a. Are the demographics driving the driving the growth?