



Small Mid-Size Business Opportunity Discovery Tool

Small business owners and managers can capitalize on emerging business opportunities and grow their business with The Profit |Optimizer.

The Profit|Optimizer helps to assure profitability and growth by placing world class professional assessment and business measurement expertise at your fingertips.

The Profit|Optimizer, an MS Office™ based application identifies, initiates, prioritizes, monetizes and monitors capital allocation strategies so you can make informed decisions on all business investments.

The Profit|Optimizer helps you communicate with bankers and investors. It provides evidence that a thorough risk assessment and ROI analysis has been conducted on all potential options and capital expenditure plans.

Profit |Optimizer Facilitators

The Profit|Optimizer is designed to offer small businesses easy to use and affordable risk management tools.

The Profit|Optimizer is designed as a self assessment tool that all businesses can easily master. But some clients may want an outside facilitator to conduct the assessment. Sum2 operational risk facilitators are available to conduct an in-house risk assessment and opportunity discovery review that involves you and your management team.

Profit | Optimizer Benefits

The Profit|Optimizer allows you to assess risk and controls, view centralized results across the organization and evaluate and validate your risk profile against industry best practices. *

Overview			
Functional Area	Risk Rating	Risk Budget	ROI
General Mgmt.	High	\$ 23,175	9
Sales & Marketing	High	\$ 22,617	6
Operational Mgmt.	Med High	\$1,804,160	6
Facilities Mgmt.	Med Low	\$ 13,000	5
Financial Mgmt.	Med Low	\$ 34,000	3
Planning & Info Mgmt.	Med Low	\$ 8,000	4
People & HR Mgmt.	Med High	\$ 203,000	4
Total		\$2,107,952	37

World Class Business Performance Tools

- Set and Realize Corporate Goals
- Uncover New Products New Markets
- Detect & Manage Operational, Product and Market Risk
- Build Cohesive Management Team
- Deliver Consistent Employee Communications
- Gather Critical Business Intelligence
- Prioritize Business Initiatives
- Monetize & Visualize Enterprise Risk
- Monitor Progress of Business Initiatives
- Develop High Performance Business Plan
- Implement Effective Corporate Governance
- Mitigate Credit Risk
- Build Better Banking Relationship
- Improve Investor Relations



Significant features include:

- Conduct 150 Critical Business Assessments
- Three Sets of Performance Dashboards
- Self Assessment Scoring Methodology
- Product, Client, Supply Chain and Market Assessment
- Key Performance Indicators of Seven Business Functions
- Detailed Review of Critical Success Factors
- Calculation of a Risk Budget
- Program Support Webinars
- Customer Service Hotline

services and create new engagement opportunities; the Profit|Optimizer can provide a competitive edge to expand your risk management practice and a way to add value to new and existing client engagements. Providing risk advisory services to your clients is a powerful business driver. Risk advisory is a strategic BI exercise that uncovers business vulnerabilities and serves as a springboard for business development efforts and new practice areas.

The Profit|Optimizer for CPAs and business advisors will yield unique insights into client development needs. This will help you to assist your clients to generate meaningful capital allocation budgets and make wise investment decisions that mitigate the greatest risk and generate the best return on capital expenditures and project initiatives.



CPA's and Service Providers

The SMB market is the fastest growing market segment in the world economy today. Globalization, expanded access to inexpensive capital, continuous product innovation, rapidly changing market demographics, lower barriers to entry, and technological change are common business drivers and risk factors that confront all small and mid-size business managers.

CPAs and service providers have always been called upon as the valued voice of measured advice. As professional services firms look for ways to provide value added

The Profit|Optimizer helps small businesses evaluate and construct business plans prior to seeking a bank loan or private equity investment. The Profit|Optimizer helps small business managers to effectively communicate with shareholders, lenders and investors on how business risks are being identified and managed.

The Profit|Optimizer is a risk mitigation tool that saves your clients money, protects their reputation, and guards against litigation while promoting profitability and growth.

**** These "Best Practices" were developed following the introduction of the Basel II Capital Accord and the proposed Capital Requirement Directive (Basel II / CRD).***



Bankers Mitigate Credit Default

The soft economy, the rise of inflation and the curtailment of credit is having a dramatic effect on small and mid-size businesses (SMB). Annual bankruptcies rose 50% in 2007 and this could potentially climb higher this year as the recession takes hold.

Bankers need to undertake a comprehensive review of their SMB loan portfolios and implement a risk mitigation program that engages small businesses to help them identify emerging problems that lead to poor performance, a distressed condition and ultimately insolvency. Banks need to be proactive. By taking action now bankers will help SMBs to recognize the early warning signs of an emerging distressed condition. Banks can take the lead and begin an effective engagement process that disseminate information and provide tools to help managers identify sources of risk in their business operation.

Small businesses need help to assess and understand how changing market dynamics, macroeconomic factors and non-efficient business functions are impacting their business. Examples of this are the problems posed by inflation, credit availability, mature product life cycles, hyper competitive product markets and the acute risks of global markets and extended supply chain.

SMBs that are highly dependent on a commodity or have unusual single source risk concentration to manufacture or deliver its products are particularly susceptible to business defaults. SMB profit

margins are highly correlated to stable pricing and SMB profitability can evaporate overnight due to exposure to a single risk factor.

Work on it before it goes to workout

Effective bankers need to be involved with their small business clients to determine how these risk factors are affecting business profitability and what steps need to be taken to temper the effect these business threats. This is a great opportunity for bankers to enhance their engagement level with small business clients. The exercise will preserve relationships, mitigate potential credit defaults and build the banks brand as an effective and involved partner to small businesses.



The Profit|Optimizer provides a general framework and guidelines which will help SMBs to analyze and assess their preparedness for raising finance from banks and other lending institutions. The Profit|Optimizer helps SMBs understand and prepare for the emerging stringent credit scoring and decision metrics used by regulated and unregulated lenders. The Profit|Optimizer is modeled after recommendations developed by bank working groups formed to address best lending practices of Basel II Capital Accord.



Objectives of the Profit|Optimizer

** To detail the main business and risk management practices that lenders generally look for when assessing and rating small and mid-size businesses.*

** To provide SMBs with awareness of what is regarded by lenders as good corporate governance in small and mid-size businesses.*

** To assist SMBs with preparing to meet the business information requirements of banks, private equity and investors.*

**Price: \$75.00 for application
\$500.00 per year quarterly update**

About Sum2

Sum2 is dedicated to the commercial application of sound practices. Our sound practices program helps businesses address corporate governance, risk management, stakeholder communications and regulatory compliance.

Sum2 believes that all corporate enterprises enhance their equity value by implementing a sound practice program. Sound practices are principal value drivers for corporate and product brands. Practitioners are awarded with healthy profit margins, attraction of high end clientele, enterprise risk mitigation and premium equity valuation.

Sum2 welcomes the opportunity to speak with you to demonstrate how sound practices can differentiate your firm and create value for your product brands and company stakeholders.

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Ecommerce Sites:

<http://store.valueweb.com/servlet/sum2/StoreFront>

<http://www.amazon.com/shops/sum2llc>

Better Process Podcast:

<http://www.podcasternews.com/bpp/5081/industry-report-james-mccallum-sum2-llc/>

Free Macroeconomic Risk Test:

<http://www.sum2.com/915/index.html>

Risk Rap Blog:

<http://sum2llc.blogdrive.com/>

Macro Economic and Event Risks			
Reference: SMB 360° Macro Risks Worksheet			
Instructions: For each of the assessments, score the current capabilities and targets from 1 (low) to 6 (high), guideline.			
Guidelines	Current Capability Score	Target Score	Variance
Your industry sector is vulnerable to cyclical market and economic conditions (ie. real estate, construction, imports, logistics etc.)			0
Clients are principally other businesses /retail consumers (demographics and buying power)			0