GROWTH OPPORTUNITY ASSESSMENT FORM

Smart Growth Decision Framework

Opportunity: ______________________________ **Value:** $___________________________________

Client/Customer: __________________________**Date:** _____________________________________

Assessed by: __________________________

PART 1: THE FIVE CRITICAL QUESTIONS

QUESTION 1: WHAT'S THE CASH TIMING?

When do we need to spend money?

Item: ________________ Amount: $______ Date: ________

Item: ________________ Amount: $______ Date: ________

Item: ________________ Amount: $______ Date: ________

Total upfront investment: $_________

When will we invoice?

Milestone 1: _________ Amount: $______ Date: ________

Milestone 2: _________ Amount: $______ Date: ________

Milestone 3: _________ Amount: $______ Date: ________

When will we actually receive payment? (Use their actual payment patterns, not stated terms)

Payment 1: $______ Expected date: ________

Payment 2: $______ Expected date: ________

Payment 3: $______ Expected date: ________

Peak cash requirement: $_________ (most we'll have invested

before receiving payment)

Days from first spend to first payment: _____ days

QUESTION 2: WHAT'S THE CUSTOMER RISK?

☐ Existing customer with excellent payment history

☐ Existing customer with acceptable payment history

☐ Existing customer with poor payment history

☐ New customer with verified references

☐ New customer without verified references

Current/projected % of our total revenue: ______%

⚠ **WARNING:** If over 20%, this creates a dangerous concentration

Payment history (existing customers):

Average payment time: _____ days

Number of late payments: _____

Largest late payment: _____ days overdue

Could we survive financially if they:

- Don't pay at all? ☐ Yes ☐ No
- Pay 60 days later than expected? ☐ Yes ☐ No
- Cancel mid-project? ☐ Yes ☐ No

QUESTION 3: WHAT'S THE RESOURCE GAP?

Current team capacity: _____ hours/week available

Additional capacity needed for this opportunity:

Staff hours required: _____ hours/week

Duration: _____ weeks/months

Resource plan:

☐ Use existing team (overtime if needed)

☐ Hire contractors temporarily

☐ Hire _____ permanent staff at $_____ each

☐ Other: _________________________

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Equipment/infrastructure needed:

Item: ________________ Cost: $______ Buy/Lease/Rent?

Item: ________________ Cost: $______ Buy/Lease/Rent?

Total equipment cost: $_________

Additional working capital needed: $_________

Where will this come from?

☐ Existing reserves (won't drop below 8-week minimum)

☐ Credit line (pre-approved amount: $_______)

☐ Need to arrange financing (amount: $_______)

☐ Customer deposits/prepayment

QUESTION 4: WHAT'S THE DOWNSIDE SCENARIO?

Best case payment timing: ______ days

Likely case payment timing: _____ days

Worst case payment timing: _____days

Our plan works if payment timing is: _____ days

Our plan fails if payment timing exceeds: _____ days

If the customer cancels mid-project:

Costs already incurred: $_________

Revenue already billed: $_________

Net loss: $_________

Can we absorb this loss? ☐ Yes ☐ No

If payment is delayed beyond the worst case:

Additional financing needed: $_________

Interest cost: $__________

Impact on other commitments: __________________

QUESTION 5: WHAT'S OUR EXIT STRATEGY?

Can we pause work without penalty if problems emerge?

☐ Yes ☐ No ☐ Partial (explain: _________________)

Minimum viable scope that limits our risk:

Phase 1: __________ Value: $_______ Investment: $_______

(Stop point if problems emerge)

Phase 2: __________ Value: $_______ Investment: $_______

(Only proceed after successful Phase 1 payment)

At what point do we pull the plug?

Trigger 1: ____

Trigger 2: ____

Trigger 3: ____

What would exit cost us?

Financial: $__________

Reputation: ______________________________

Relationship: _____________________________

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PART 2: OPPORTUNITY SCORING

Score each factor 1-10 (10 = best, 1 = worst):

CASH FLOW TIMING: _____/10

10 = Payment in advance

5 = Payment net 30 days

1 = Payment 60+ days

CUSTOMER QUALITY: _____/10

10 = Existing customer, perfect payment history

5 = New customer, verified references

1 = New customer, no verification

RESOURCE SCALABILITY: _____/10

10 = Can scale with contractors/existing team

5 = Requires some permanent hires

1 = Requires significant permanent infrastructure

MARGIN QUALITY: _____/10

10 = Margins 40%+

5 = Margins 25-40%

1 = Margins under 25%

EXIT FLEXIBILITY: _____/10

10 = Can pause/stop without penalty

5 = Exit possible but costly

1 = No exit option once committed

TOTAL SCORE: _______/50

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PART 3: DECISION FRAMEWORK

SCORE INTERPRETATION:

☐ **40-50: EXCELLENT OPPORTUNITY**

Proceed with confidence

Minimal cash flow risk

Scale as fast as operationally feasible

☐ **30-39: GOOD OPPORTUNITY WITH MANAGEMENT**

Proceed with structured payment terms

Secure backup financing before starting

Scale incrementally with proof points

Required actions:

____

____

☐ **20-29: RISKY OPPORTUNITY**

Only proceed if you can restructure the contract significantly

Must have 16+ weeks of reserves before starting

Consider declining unless terms improve dramatically

Required contract changes:

____

____

☐ **UNDER 20: DECLINE**

Cash flow risk is too high

No amount of management makes this safe

Walk wholly or away, restructure

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PART 4: FINAL DECISION

DECISION: ☐ Accept ☐ Decline ☐ Negotiate Better Terms

If **ACCEPT,** the required conditions before starting:

☐ Deposit received: $__________________ (minimum 30%)

☐ Payment terms negotiated to: Net ______ days

☐ Milestone payment schedule agreed

☐ Backup financing secured: $_________________________

☐ Resources confirmed available

☐ Exit strategy documented and agreed

If **NEGOTIATE**, must achieve:

____

____

If **DECLINE**, reason:

____

____

Alternative proposal to customer (if any):

____

____

SIGNATURES

Assessed by: ____________________ **Date:** __________

Approved by: ____________________ **Date:** __________

Review this decision in 90 days: ___________________

"Smart growth strengthens. Dumb growth kills."
