

CMG 360™ Assessment

Two perspectives. One strategy.

ABC

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Building Better Businesses

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Note: The following information provides excerpts, as an example, from a full assessment report. Some sections have been deleted and others shortened.

Executive Summary

Overall CMG 360™ score: 50 / 100 (Developing)

INTERNAL VIEW

ABC operates as a high-margin, asset-light [REDACTED] services provider. Current-year revenue stands at \$33.3M, down 18.5% from \$40.8M in the prior year, driven by the extended freight rate downturn ('Great Freight Recession') that has pressured transportation support intermediaries broadly since 2022. Despite revenue contraction, net profit margin remains strong at 11.0%, above the 5.5% RMA benchmark, reflecting disciplined cost control in the labor-intensive core business. The balance sheet is fortified: equity stands at \$5.2M (up 39.5% year-over-year), with cash of \$1.6M and minimal leverage. However, three internal pressure points emerge. First, gross margin at 15.9% sits substantially below the 36.9% RMA benchmark, indicating that direct labor and container unloading costs consume the vast majority of revenue, a structural feature of the business that constrains growth margin leverage. Second, accounts receivable of \$3.5M represent 38.9 days of sales outstanding, extending 4.9 days beyond the 34-day benchmark, suggesting some customer payment discipline erosion or selective customer concentration. Third, the company's organizational and execution capabilities across Planning & Strategic Execution, Talent, and Systems & Technology domains show material gaps that will constrain the ability to scale beyond the current \$33-40M revenue band without operational and management investment.

EXTERNAL VIEW

ABC operates in the [REDACTED] services segment of NAICS [REDACTED], a \$5.2B national market across roughly 6,527 enterprises. The company's [REDACTED] focus, anchored by [REDACTED] places it in a high-activity, growing logistics corridor. An estimated \$780M SAM (Served Addressable Market) exists within the [REDACTED] regions, a realistic expansion footprint given the company's stated interest in [REDACTED]. The primary secular headwind is the ongoing freight cycle downturn (which peaked in 2022 and has persisted through 2025), constraining near-term demand; however, the industry employment index has continued to expand, reaching 122.9 in 2024 (2017=100), signaling underlying activity strength beneath the rate pressure. The most significant competitive and operational constraint is labor availability. BLS data confirm that NAICS [REDACTED] employment has grown year-over-year, which further tightens labor supply in port-proximate logistics markets. ABC's competitive moat is workforce management and customer relationships, not capital. Entry into new markets ([REDACTED]) will require either local labor partnerships, competitive wage positioning, or structured training programs, each of which carries cost and time implications that must be factored into expansion ROI. The company's largest customer concentration risk is notable: NFI Industries is cited as the dominant revenue relationship, and loss of a major customer would materially impact cash flow.

COMBINED VIEW

ABC stands at a critical inflection point. The company has built a profitable, equity-funded operating business (\$33.3M revenue, 11% net margin, \$5.2M equity, minimal debt) with a clear quality-based value proposition and established relationships in a niche, fragmented market. However, the current \$33M revenue base reflects the company's mature presence in [REDACTED], where labor is tight and customer concentration is high. The owner's aspiration to reach \$100M revenue within three to five years requires growth of 12-24% annually above the \$33M base. This is materially faster than recent performance (contraction in the current year due to the freight cycle) and faster than the underlying regional market growth from port container volume expansion and 3PL warehouse growth. Achieving it requires three simultaneous moves: (1) geographic expansion into [REDACTED] markets to access the \$780M regional SAM and capture a larger share of it; (2) operational scaling that upgrades planning, talent management, and systems capability to support multi-location, higher-volume execution without proportionally increasing management overhead; and (3) ruthless discipline on margin management, as the current 15.9% gross margin leaves limited room for inefficiency in labor deployment or customer mix shifts. The hold-versus-sell decision hinges on the owner's conviction in both the market opportunity (port-driven logistics growth is real) and the organization's execution capability (which is today a gap). From a valuation perspective, a business at \$33M revenue, 11% net margin, and minimal leverage would command 4-6x EBITDA on the market (approximately \$15-25M exit value at \$4-5M EBITDA), but a \$100M revenue

business at similar margin would be valued at 5-7x EBITDA (\$25-35M+), representing a material uplift if the growth is achieved. The risk is that geographic expansion without concurrent operational maturity creates margin dilution, customer service failures, and potential value destruction. The path forward requires immediate focus on (a) validating the [REDACTED] market entry business case with 90-day pilot data; (b) upgrading planning, talent, and systems infrastructure in parallel; and (c) establishing clear margin and ROIC hurdles for each new market entry. With those foundations in place, holding for three to five years is defensible; without them, an earlier exit at current valuation may be prudent.

Company Profile

The profile below establishes the firm's classification and market position as the baseline for this assessment. Its addressable market is summarized in the market intelligence section.

FINANCIAL HIGHLIGHTS

\$33.27M REVENUE Most recent fiscal year	-18.5% REVENUE GROWTH (YOY) Year-over-year	15.9% GROSS MARGIN -21.0 pts vs benchmark (36.9% benchmark)
11.0% OPERATING MARGIN Reported figure	11.0% NET MARGIN +5.5 pts vs benchmark (5.5% benchmark)	

The business reports \$33.27M of revenue. It performs above its industry benchmarks on 3 of the measured metrics, days in a/p at 1 days, net margin at 11.0%, return on equity at 71.0%, indicating real operating strength to build on. 2 metrics trail the benchmark, days in a/r at 39 days, gross margin at 15.9%, and define the priority gaps the plan must close.

Concerns & Curiosities

At intake, ownership identified five questions and concerns. This CMG 360™ Assessment is built to answer each one.

#	Concern	Category
1	How to grow the business going forward	STRATEGIC PRIORITY
2	Should I sell the business now or hold for 3-5 years, grow and then sell	STRATEGIC PRIORITY
3	revenue now is in the \$40M range. To hold onto the business, revenue need to approach \$100M in 3 to 5 years	STRATEGIC PRIORITY
4	Path of correct risk/reward	STRATEGIC PRIORITY
5	make the right decision	STRATEGIC PRIORITY

Context-Aware Business Diagnostics™: the diagnosis that follows is built around these questions, not a generic checklist.

COMPASS Internal Diagnostic

Domain	Score	Rating	CMG Action Plan
Capital & Cash Flow	60 / 100	Developing	Establish a formal 13-week rolling cash flow forecast and simultaneously open a revolving line of credit with a second banking institution, even if unused today, to create dry powder for rapid market entry as geographic expansion opportunities are identified.
Margin Quality & Revenue Model	54 / 100	Developing	Conduct an immediate contract-level profitability analysis using existing financial data to rank all current customers and contracts by gross margin contribution, this will identify which business to protect, reprice, or exit, and will form the foundation of a national expansion pricing model.

Domain	Score	Rating	CMG Action Plan
Sales, Customers & Go-to-Market	35 / 100	Foundational	Implement a CRM system (HubSpot or Salesforce) within 90 days and immediately map all existing customers, contract renewal dates, revenue by account, and contact relationships, this becomes the intelligence layer for both protecting current revenue and identifying national expansion targets.
Planning & Strategic Execution	5 / 100	Foundational	Engage a logistics industry-focused business consultant or fractional COO within 60 days to facilitate a structured 2-day strategic planning session, producing a written 3-year business plan with annual budgets, defined KPIs, and a national expansion roadmap, treat this as the most urgent operational investment the business can make.
Organization Design & Talent	62 / 100	Developing	Develop succession plans and cross-training programs for the top 5 key leadership and operational positions before initiating any geographic expansion, the ability to staff new market leadership from internal talent will be the primary constraint on how quickly ABC can scale nationally.
Accounting & Financial Reporting	55 / 100	Developing	Engage an independent CPA firm to conduct an annual review (not a full audit) of the current year financial statements and simultaneously document internal controls, this investment (typically \$15,000, \$40,000) will be required before any institutional financing, national partnership, or strategic transaction can be pursued.
Systems & Technology	80 / 100	Strong	Issue an RFP for a logistics-specific labor management and operations platform (such as Kronos/UKG, Körber, or a freight-focused WMS) that integrates workforce scheduling, container tracking, customer billing, and CRM, selecting and implementing this system should be treated as the technology foundation for national scaling.

Domain scorecard

■ Strong ■ Developing ■ Foundational

Capital & Cash Flow 60 / 100 · Developing



Margin Quality & Revenue Model 54 / 100 · Developing



Sales, Customers & Go-to-Market 35 / 100 · Foundational



Planning & Strategic Execution 5 / 100 · Foundational



Organization Design & Talent 62 / 100 · Developing



Accounting & Financial Reporting 55 / 100 · Developing



Systems & Technology 80 / 100 · Strong



Composite score: 50 / 100 (Developing)

BEACON Market Intelligence

MARKET SIZING

\$5.20B

TAM, TOTAL ADDRESSABLE MARKET

IBISWorld sizes the US freight packing and logistics services segment (the closest national analog to lumping/container unloading services within NAICS 488) at approximately \$5.2 billion in 2025 across ~6,527 enterprises, used as TAM rather than the full \$300B+

\$780.00M

SAM, SERVICEABLE ADDRESSABLE MARKET

The Southeast U.S. (including the 500-mile Savannah radius, Gulf states, and proximate East Coast markets) represents an estimated 15% of national freight packing and logistics activity based on regional port container volume share relative to the national total,

\$15.60M

SOM, SERVICEABLE OBTAINABLE MARKET

A single regional lumping services provider with one dominant customer relationship operating in the fragmented Southeast market could realistically capture 1-3% of the regional SAM; using 2% of \$780M yields

NAICS 488 sector, which encompasses unrelated freight forwarding and marine cargo handling.	applied to the \$5.2B TAM to yield approximately \$780M. (estimate)	approximately \$15.6M as a conservative near-term obtainable market estimate. (estimate)
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Market position

The [REDACTED] services industry is highly fragmented, as ABC's own characterization confirms, the client could not name three distinct named competitors, describing the landscape simply as 'fragmented.' This is consistent with the broader freight packing and logistics services segment, which IBISWorld counts at approximately 6,527 enterprises nationally, suggesting a market without dominant national players. NAICS 488 overall encompasses approximately 42,978 verified U.S.

Outlook & strategic implications

- The most significant macro trend affecting ABC's market context is the extended 'Great Freight Recession', a multi-year freight volume and rate downturn that has pressured transportation support intermediaries broadly since 2022.
- While this has constrained demand growth for transportation support services, it has also consolidated weaker operators, potentially improving ABC's competitive positioning as the cycle recovers.
- BLS employment index data for NAICS [REDACTED] show continued growth, with the employment index reaching approximately 122.9 in 2024 (2017=100), up from 119.0 in 2023, suggesting that underlying activity levels have continued to expand even during the freight rate downturn.
- The client reports no significant technology disruption in lumping services, which is credible given the physical, human-capital-intensive nature of container unloading, automation of floor-loaded containers remains technically and economically limited compared to palletized freight.
- Retail import volumes, which drive floor-loaded container flows, are ultimately a function of consumer spending and global trade patterns.
- Near-term reshoring and nearshoring trends, combined with port infrastructure investment along the [REDACTED] Coasts, are structural positives for the [REDACTED] market over the client's 3-to-5-year planning horizon.

Best-in-class benchmarks

- Gross Margin %: 36.9% (industry benchmark)
- Net Profit %: 5.5% (industry benchmark)
- Current Ratio: 1.50x (industry benchmark)
- Days Receivable: 34 days (industry benchmark)
- Days Payable: 21 days (industry benchmark)
- Days Inventory: 0 days (industry benchmark)

The Bridge

The bridge is where COMPASS meets BEACON. Each internal gap is connected to the specific external opportunity it unlocks once addressed.

COMPASS Gap (internal)	BEACON Market Signal	What It Unlocks
Planning & Strategic Execution domain below company average; no formal capacity planning or geographic expansion framework	[REDACTED] SAM of \$780M across [REDACTED]; labor-constrained entry requires 90-120 day relationship and pipeline build before launch	Implement formal expansion validation framework: pilot [REDACTED] market with 90-day data collection (labor availability, customer RFP activity, pricing) before committing capital; build go/no-go gates tied to labor acquisition cost and customer response rates
Organization Design & Talent domain underdeveloped; no visible multi-location management structure or labor pipeline capability	BLS data confirm NAICS [REDACTED] employment expanding (122.9 in 2024), tightening labor supply at port hubs; incumbent operators in Jacksonville/Norfolk will have established local labor relationships	Build regional labor partnership strategy: hire or contract for regional labor operations managers in target markets; establish relationships with workforce staffing firms, community colleges, or trucking associations before geographic launch; tie new-market readiness to labor pipeline confirmation

COMPASS Gap (internal)	BEACON Market Signal	What It Unlocks
Capital & Cash Flow strong (\$5.2M equity, \$1.6M cash, minimal debt); fixed asset turnover at 1,010x confirms asset-light model	██████████ margins at 18-19% nationally; RMA benchmarks show 36.9% gross margin for ██████████ (ABC at 15.9%), leaving room for premium pricing with quality differentiation	Allocate \$0.5-1.0M of retained earnings to geographic expansion pilots and operational infrastructure (planning systems, multi-location management roles); use margin improvement from quality differentiation to fund growth capex
Sales/Customers domain shows single dominant customer relationship (NFI); no visible pipeline management or sales process discipline	Market is fragmented (6,527 enterprises nationally) with no dominant competitors; ██████████ markets have multiple 3PL warehouse operators not currently served by ABC	Formalize sales pipeline and relationship management: document target warehouse operators and ██████████ in each new market; establish 12-month relationship development calendar; tie business case to RFP win rates and contract cycle timing (typically 60-90 days from first engagement)
Systems & Technology domain below average; no indication of formal business intelligence, labor scheduling, or customer management systems	██████████ services lack significant technology disruption; competitive advantage accrues to operators with superior workforce management and customer visibility	Implement labor scheduling and job costing platform to enable multi-location dispatch, real-time productivity tracking, and gross margin visibility by customer/location; system investment is prerequisite to scaling without proportional SG&A growth
Receivable days at 38.9 versus 34-day benchmark; accounts receivable at \$3.5M reflects extended payment cycles	Customer base includes major ██████████ and retailers; payment terms typically 30-45 days net; competitive environment may limit ability to enforce shorter terms	Audit top-10 customer payment behavior and terms; identify high-concentration, slow-paying accounts; establish explicit working capital management as new-market pilots scale to avoid cash conversion gap

Fixing the floor inside is what lets the business act on the opportunity outside.

Strategic Recommendations

ABC must sequence its path to \$100M revenue over three to five years in ██████████ phases: Stabilize, Build, and Scale. The current year's revenue contraction to \$33.3M (from \$40.8M prior year) reflects macroeconomic and freight-cycle headwinds, not operational failure; the core business remains profitable and equity-funded. However, growth to \$100M cannot be achieved by organic expansion in the mature ██████████ market alone. It requires geographic expansion into ██████████, coupled with concurrent investment in planning, talent, and systems infrastructure that today represents the company's primary operating gap. This sequencing first secures the foundation (stable core operations, upgraded management capability), then validates new markets with pilot data, and finally scales with confidence. Each phase has clear go/no-go gates and financial hurdles; proceeding without meeting those gates risks margin dilution and execution failure that could destroy rather than create value.

The 3 / 6 / 9 / 12-month roadmap

Horizon	Actions
3 months	- Hire COO/Operations Manager; begin core operations assessment and customer/margin health diagnostic - Segment revenue by customer; calculate gross margin by customer; assess customer concentration risk and contract renewal schedule - Define market entry criteria, financial hurdles, and organizational structure for 2-3 location operations - Document current labor scheduling, dispatch, and quality processes; establish baseline productivity and cost metrics
6 months	- Hire ██████████ Operations Lead; launch labor partnership sourcing and customer identification - Select and implement labor scheduling and job costing system; integrate with payroll and accounting for margin visibility

Horizon	Actions
	- Execute first 2-3 [REDACTED] pilot jobs; collect labor cost, customer response, and margin data - Complete talent strategy and organizational design for multi-location operations; establish hiring plan and compensation structure
9 months	- Complete [REDACTED] 90-120 day pilot; compile results and make go/no-go decision by month 9 - Prepare for [REDACTED] permanent operation (if go): hire location manager, build labor bench, secure customer contracts - Establish repeatable market entry playbook based on [REDACTED] learnings; prepare [REDACTED] pilot launch for month 10 - Finalize 3-year revenue and margin projection; establish clear milestones and decision gates for each market entry
12 months	[REDACTED] permanent operations launched (if go/no-go is 'go'); target \$100-150K monthly revenue by end of month 12 [REDACTED] pilot executed with 90-day market validation; results reviewed and documented - Complete reassessment of hold-versus-sell timing; model 3-5 year growth scenarios and valuation implications; confirm capital and execution plan - Implement CRM and formalize sales pipeline; establish monthly revenue forecast and customer renewal management discipline

Each phase turns the weakest domains green and adds enterprise value, so the business is worth more when the owner is ready to act.

Appendix A: Full COMPASS Diagnostic

This appendix consolidates the internal diagnostic that underpins the assessment. The figures below are drawn from the firm's submitted financials and benchmarked against industry peers (NAICS [REDACTED]).

Composite score: 50 / 100 (Developing). 5 of 8 benchmarked metrics are at or above their industry benchmark; 3 trail and are the focus of the recommendations.

Capital & Cash Flow: 60 / 100 **Developing**

Margin Quality & Revenue Model: 54 / 100 **Developing**

Sales, Customers & Go-to-Market: 35 / 100 **Foundational**

Planning & Strategic Execution: 5 / 100 **Foundational**

Organization Design & Talent: 62 / 100 (EXAMPLE SECTION) **Developing**

STRENGTHS

- Formal organizational chart with defined reporting relationships and current job descriptions for key positions are in place, providing structural clarity appropriate for a \$33M operation.
- Compensation plans are aligned with company performance and industry benchmarks, and a formal onboarding program for new employees exists, both critical in a staffing-intensive logistics business with high labor throughput.
- Strong compliance infrastructure: all required licenses, certifications, workers' compensation, payroll filings, and insurance are current, an underappreciated strength in a heavily regulated transportation services environment.
- Employee retention is tracked by department, and leadership competencies are defined and regularly assessed, indicating more talent management maturity than many businesses at this revenue level.

AREAS FOR IMPROVEMENT

- No succession plans for key leadership positions exist, and no cross-training programs are in place to reduce key person dependencies, a significant risk in a business contemplating multi-market expansion where leadership bandwidth will be stretched.
- No formal performance management system, career pathing criteria, leadership development programs, or 360-degree feedback processes exist, limiting the business's ability to develop internal talent capable of running new market operations.
- No employee engagement surveys or formal conflict resolution procedures are documented, and no employee handbook exists, gaps that create legal exposure and retention risk as headcount scales with geographic growth.
- No contingency plans for business interruption scenarios exist, a vulnerability in a logistics operation where weather events, port disruptions, or labor actions can halt operations across multiple sites simultaneously.

ACTION

- Develop succession plans and cross-training programs for the top 5 key leadership and operational positions before initiating any geographic expansion, the ability to staff new market leadership from internal talent will be the primary constraint on how quickly ABC can scale nationally.

Accounting & Financial Reporting: 55 / 100 **Developing**

Systems & Technology: 80 / 100 (EXAMPLE SECTION) **Strong**

Financial review**Executive Summary**

ABC operates in the Support Activities for Transportation sector (NAICS [REDACTED]), [REDACTED] segment with strong demand dynamics tied to port activity, e-commerce fulfillment, and nearshoring trends. At \$33.3M in revenue and an 11.0% net profit margin, the business is meaningfully profitable, generating \$3.67M in net operating income on a nearly debt-free balance sheet with \$5.1M in equity and exceptional liquidity. These are real competitive strengths. However, the 18.5% year-over-year revenue decline from \$40.8M to \$33.3M is the most pressing financial signal in this analysis, it demands a direct strategic response.

Benchmarking by domain

Metric		Company		Industry / Goal	Variance
Capital & Cash Flow					
Days in A/P		1 days		21 days	-20 days vs benchmark
Current Ratio	-110.91x	1.50x		Reported figure outside expect range, verify before relying on this comparison.	
Days in A/R	39 days	34 days		+5 days vs benchmark	
Fixed Asset Turnover	1010.07x	14.20x		Reported figure outside expected range, verify before relying on this comparison.	
Debt Service Coverage	403.75x	2.50x		Reported figure outside expected range, verify before relying on this comparison.	
Margin Quality & Revenue Model					
Net Margin	11.0%	5.5%		+5.5 pts vs benchmark	
Gross Margin	15.9%	36.9%		-21.0 pts vs benchmark	
Return on Equity	71.0%	26.8%		+44.2 pts vs benchmark	
Sales, Customers & Go-to-Market					
CRM / pipeline system	Not in place	In place		Gap	

Metric	Company	Industry / Goal	Variance
Customer concentration	Flagged as a risk	Top customer under 30%	Gap
Organization Design & Talent			
Talent retention / bench	At risk	Stable, with bench	Gap
Owner / key-person dependence	High	Reduced	Gap

Appendix B: BEACON Market Intelligence Report

Company Performance vs Market

Benchmarked against industry peer data for NAICS [REDACTED] (6-digit match). No client financial data was provided in the intake; all benchmarks are shown for reference against future client actuals.

Measure	Company	Industry Benchmark
Gross Margin %	15.9%	36.9%
Net Profit %	11.0%	5.5%
Current Ratio	-110.91x	1.50x
Days Receivable	39 days	34 days
Days Payable	1 days	21 days
Days Inventory	—	0 days
Debt Service Coverage	403.75x	2.50x
Fixed Asset Turnover	1010.07x	14.20x
Return On Equity %	\$71	\$27

Assumptions & Sources

Market figures are derived from industry databases, trade-association data, and CMG-sourced research, and are sized for decision-making rather than precision. Financial ratios are benchmarked against industry peer data for NAICS [REDACTED] (6-digit match). No client financial data was provided in the intake; all benchmarks are shown for reference against future client actuals. TAM reflects national category demand; SAM applies the served geography and segments; SOM applies an achievable share trajectory. Layers marked "(estimate)" are CMG estimates derived from the cited bases.

Sources: [1] Total Revenue for [REDACTED]: Support Activities for Transportation | FRED, St.

Strategic Recommendations

This appendix sizes the opportunity and reads the market; the prioritized, owner-specific actions that act on it are sequenced in the main Strategic Recommendations section, where each is tied to the internal diagnostic and the owner's questions. realistically pursue \$15-20M in revenue as it expands beyond its current southeastern base.