belzey@freedomsystems.biz

MODEL QUALITY

Score the Quality of Your Business Model

Two businesses with identical revenue can be worth wildly different multiples. The difference is model quality. Here is how to score yours.

WHY THIS MATTERS

Revenue tells a buyer how big you are. The Model Multipliers tell them what you are worth. Score honestly on all five and you will see exactly which lever is dragging your valuation, and which one is quietly carrying it.

SETUP

Field	Your answer
Business / Line Scored	
Prepared By	
Date	

1. SCORE EACH MODEL MULTIPLIER · 1 = WEAK, 5 = STRONG

Multiplier	What a strong score looks like	Score 1 to 5
Recurring Revenue	Predictable, contracted, repeats without re-selling	
Margin Quality	Healthy gross and operating margins, room to absorb shocks	
Market Momentum	Growing demand, you are not fighting the tide	
Operating Leverage	Revenue can grow faster than headcount and cost	
Defensibility	Hard to copy: relationships, IP, switching costs, brand	

2. ADD IT UP

Total Score (out of 25)	What it means
20 to 25	Premium model. Built to sell at the high end of the range.
14 to 19	Solid, with one or two clear levers to raise before exit.
Under 14	The business runs on effort, not architecture. Fixable, but it is the work.

THE PART MOST FOUNDERS SKIP

A low score is not a verdict, it is a roadmap. The mistake is treating the total as a grade and moving on. The score only pays off when you take your weakest multiplier and make it the focus of the next two quarters. One multiplier raised from a 2 to a 4 can move the whole valuation. Pick the lowest number above and work it.

3. TURN THE SCORE INTO A PLAN

My weakest multiplier ....

The one move that would raise it most ....

My strongest multiplier (protect this) ....

NEXT Take your lowest-scoring multiplier and make it the focus of the next two quarters.

Want to know what your business model is actually worth? Scan the code or visit **freedomsystems.biz** to book a 30-minute diagnostic.

SCAN TO BOOK