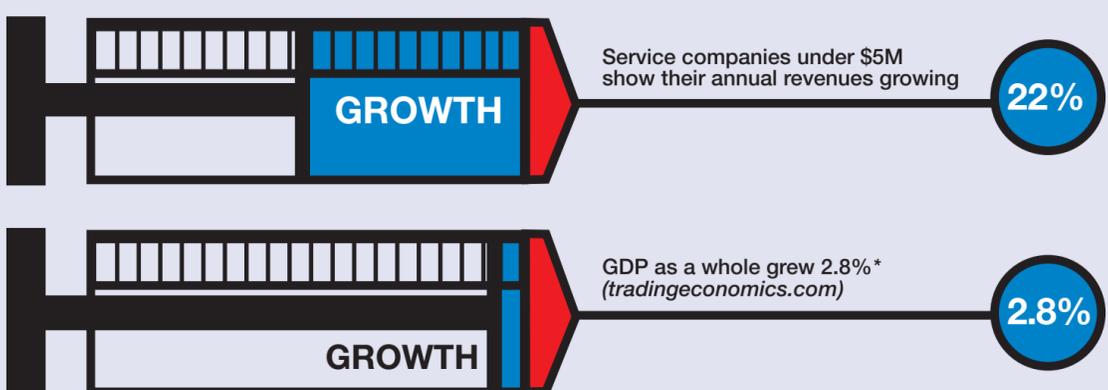


What are the healthiest businesses in the USA?

Corelytics aggregated the research below based on **actual** accounting data, not surveys or estimates. The data comes from the accounting systems of over 1,000 companies using the Corelytics Financial Dashboard which is used to track goals, forecast and benchmark business performance with peers. From this data, we can tell the relative performance to the nation.

Revenue

Small companies are performing significantly better than the overall economy.



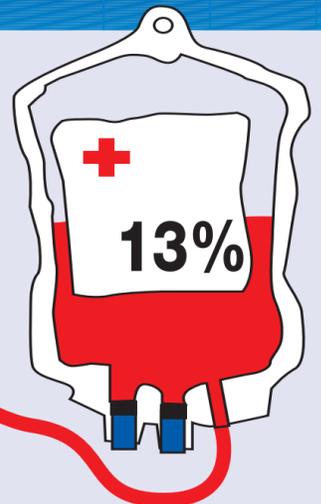
Healthiest companies look like this: Even if revenue is flat, expenses should be flat or dropping in order for a company to survive long term, and when revenues are declining, expenses should fall faster. Regardless of economic climate companies must always focus on “growing profitability”

Cash Flow

Service companies under \$5M show their cash balances growing at 13%

This tells us that companies offering services as a whole are headed in the right direction relative to the economy.

Healthiest companies look like this: Cash balances should show positive long-term growth. It is normal for growth to require cash, but over the long term (12 months) revenue growth must result in cash growth or is not sustainable. Short term investments in revenue growth which yield more cash is a healthy sign of “growing liquidity”



Assets

Service companies under \$5M show a healthy quick ratio of 3.3 whereas average quick ratios generally fall around 1-1.5 depending on the industry.



This tells us that the small business service community as a whole is strong and headed the right direction. With a current Quick Ratio average of 3.3, it means they have \$3.30 in current assets for every \$1.00 in current liabilities.

Healthiest companies look like this: They watch their “current ratio” (the ratio of current assets to current liabilities) to make sure they have a long-term positive trend. Regardless of company growth rates, if current assets are growing faster than current liabilities, the company is building strength and will be able to absorb monthly financial bumps and invest in its future. Improving the current ratio is all about “growing leverage”

Who is Healthier?

The standouts from this report seem to be small service companies. But owners of the healthiest businesses of any kind closely monitor their financials with tools that make the job simple and easy to understand. They watch the vital signs that tell what will happen in the months ahead. They work with their team to apply prevention medicine and to build solid business strength. They are highly resistant to economic threats.

They can do all of this with the award-winning Corelytics Financial Dashboard. A new way to manage your business efficiently.

*SOURCE: Corelytics Financial Dashboard Aggregate Data. Approximately 95% of Corelytics users are Corelytics expanding and services companies with annual revenue showing statistics by industry segments when the populations served become statistically valid.

