

# BENCHMARKING

"a way of discovering what the best performance being achieved is!"

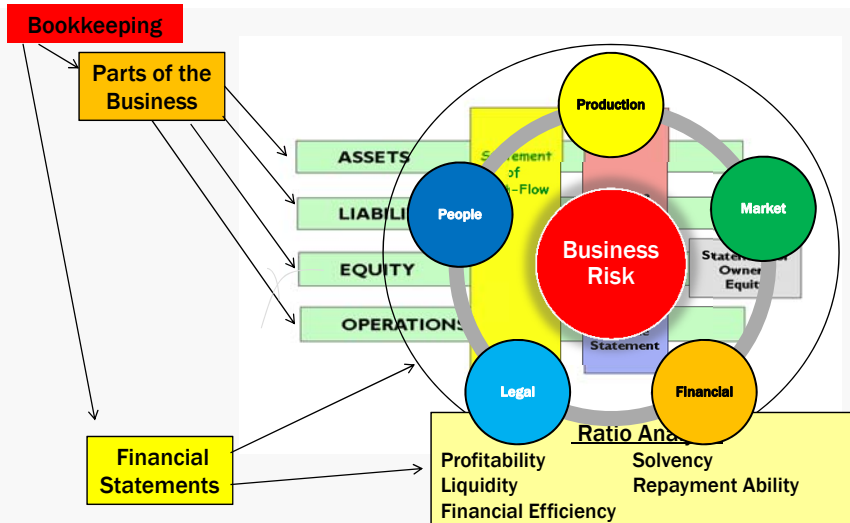
## Southern Outlook Conference

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# BUSINESS LINKAGES



# COMPOSITE PERFORMANCE INDEX

|                             | TPEN 1-1  | TPEN 1-2  | TPEN 1-3  | TPEN 1-4  | TPEN 1-5  | TPEN 1 AVG  |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-------------|
| FINANCIAL INDEX             | 26        | 20        | 24        | 25        | 23        | 25          |
| MANAGEMENT INDEX            | 5         | 2         | 1         | 6         | 4         | 3.6         |
| CREDIT INDEX                | 4         | 5         | 5         | 3         | 5         | 4.5         |
| <b>Total of All Indexes</b> | <b>35</b> | <b>27</b> | <b>30</b> | <b>34</b> | <b>32</b> | <b>33.1</b> |

| PERFORMANCE LEVEL  | 4            | 2 | 3 | 4 | 3 | 3 |
|--------------------|--------------|---|---|---|---|---|
| <b>Level</b>       |              |   |   |   |   |   |
| <b>Index</b>       |              |   |   |   |   |   |
| <b>Description</b> |              |   |   |   |   |   |
| Level 5            | 40 or higher |   |   |   |   |   |
| Level 4            | 34 to 39     |   |   |   |   |   |
| Level 3            | 28 to 33     |   |   |   |   |   |
| Level 2            | 22 to 27     |   |   |   |   |   |
| Level 1            | 21 or less   |   |   |   |   |   |

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# FINANCIAL PERFORMANCE INDEX

| Financial Performance Index |                      |              |             |              |              |              |              |
|-----------------------------|----------------------|--------------|-------------|--------------|--------------|--------------|--------------|
| Variable                    | Criteria             | TPEN 1-1     | TPEN 1-2    | TPEN 1-3     | TPEN 1-4     | TPEN 1-5     | TPEN 1 AVG   |
| <b>Profitability</b>        |                      |              |             |              |              |              |              |
| <b>Return on Assets</b>     |                      | <b>28.6%</b> | <b>6.3%</b> | <b>21.4%</b> | <b>13.3%</b> | <b>18.2%</b> | <b>17.6%</b> |
|                             | Rating               | Index        | Index       | Index        | Index        | Index        | Index        |
|                             | more than 10 percent | 4            |             |              |              |              |              |
|                             | 6 - 10 percent       | 3            |             |              |              |              |              |
|                             | 2 - 5 percent        | <b>4</b>     | <b>3</b>    | <b>4</b>     | <b>4</b>     | <b>4</b>     | <b>4</b>     |
|                             | 0 - 1 percent        | 1            |             |              |              |              |              |
|                             | less than 0 percent  | 0            |             |              |              |              |              |

Return on Assets  
 Operating Efficiency  
 Asset Turnover  
 Debt/EBITDA  
 Working Capital Sufficiency  
 Debt to Asset  
 Term Debt Coverage

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# MANAGEMENT PERFORMANCE INDEX

| Management Performance Index |  |              |              |              |              |              |              |
|------------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Variable                     | Criteria                                     | TPEN 1-1     | TPEN 1-2     | TPEN 1-3     | TPEN 1-4     | TPEN 1-5     | Utilization  |
| <b>Management</b>            |  |              |              |              |              |              |              |
|                              |  | <b>Index</b> | <b>Index</b> | <b>Index</b> | <b>Index</b> | <b>Index</b> | <b>Index</b> |
| 1 point for each Action      | Enterprise Cost of Production                | 1            | 1            |              | 1            | 1            | 80%          |
|                              | Written Marketing Plan                       | 1            | 1            |              | 1            | 1            | 60%          |
|                              | Written Business Plan Utilized               | 1            | 1            |              |              |              | 20%          |
|                              | Execution of Business Goals                  | 1            |              |              |              |              | 0%           |
|                              | Written Succession Plan                      | 1            |              |              | 1            |              | 20%          |
|                              | Advisor Team & Use                           | 1            |              |              | 1            |              | 20%          |
|                              | Risk Management Plan                         | 1            |              |              |              |              | 0%           |
|                              | Training programs for Management & Employees | 1            |              |              |              | 1            | 20%          |
|                              | Natural Resource Plan                        | 1            | 1            | 1            | 1            | 1            | 100%         |
|                              | Long Term Written Lease Arrangements         | 1            | 1            |              | 1            |              | 40%          |
|                              |  |              |              |              |              |              | 0%           |
|                              | <b>MANAGEMENT INDEX</b>                      | <b>5</b>     | <b>2</b>     | <b>1</b>     | <b>6</b>     | <b>4</b>     | <b>3.6</b>   |

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# CREDIT INDEX

| Credit History       |                     |          |          |          |          |          |            |            |
|----------------------|---------------------|----------|----------|----------|----------|----------|------------|------------|
| FICO & Beacon Scores | > 800               | 8        | <b>4</b> | <b>5</b> | <b>5</b> | <b>3</b> | <b>5</b>   | <b>4.5</b> |
|                      | 750 to 799          | 6        |          |          |          |          |            |            |
|                      | 700 to 749          | 5        |          |          |          |          |            |            |
|                      | 650 to 699          | 4        |          |          |          |          |            |            |
|                      | 600 to 649          | 3        |          |          |          |          |            |            |
|                      | 500 to 599          | 2        |          |          |          |          |            |            |
|                      | 450 to 499          | -1       |          |          |          |          |            |            |
|                      | < 450               | -5       |          |          |          |          |            |            |
|                      | <b>CREDIT INDEX</b> | <b>4</b> | <b>5</b> | <b>5</b> | <b>3</b> | <b>5</b> | <b>4.5</b> |            |

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# RELATIVE PERFORMANCE ASSESSMENT

|                                | <u>GROUP AVERAGE</u> | <u>TPEN 1-1</u> | <u>Relative Performance</u>     |  |  |  |  |
|--------------------------------|----------------------|-----------------|---------------------------------|--|--|--|--|
| Return on Assets               | 17.6%                | 28.6%           | Above                           |  |  |  |  |
| Operating Efficiency           | 28.4%                | 33.4%           | Above                           |  |  |  |  |
| Asset Turnover                 | 90.5%                | 90.7%           | Above                           |  |  |  |  |
| Total Debt/EBITDA              | 184.8%               | 128.8%          | Above                           |  |  |  |  |
| Working Capital Sufficiency    | 95.8%                | 106.0%          | Above                           |  |  |  |  |
| Debt to Asset Ratio            | 40.0%                | 36.0%           | Above                           |  |  |  |  |
| Term Debt Coverage Ratio       | 374.9%               | 786.0%          | Above                           |  |  |  |  |
| Management Actions Implemented | 3.6                  | 4               | Added Management Actions Needed |  |  |  |  |
| Credit Score History           | 4.5                  | 5               | Work on Improving               |  |  |  |  |

