1 Thesis

2 Customers

3 The CEO

4 Revenue and Cost

5 Certainty

6 Governance

THE TOOLKIT · PORTFOLIO TOOL

The Holding Company Scorecard

Assess Every Property in Your Portfolio Like a Small Business

You don't own a collection of buildings. You run a holding company of small businesses. Each property has customers, a P&L, a CEO and a value. The Holding Company Scorecard gives you a fast, honest way to see which of those businesses are working, which need you, and where your next dollar and hour should go.

> **Every property is a small business. Every business needs its own value plan.**

INSIDE THIS GUIDE

1. Why a scorecard, and the two ideas underneath it
2. The model at a glance
3. Before you begin: read each property like a P&L
4. The five steps, one page each, with a worked example
5. The owner's self-check
6. Three worksheets: Scorecard, Portfolio Map, Value Plan

Dr. Michael Burcham
theburchamgroup.com

WHY A SCORECARD

You Run a Holding Company of Small Businesses

Private equity never owns a company without a written value plan. Neither should you.

The problem it solves

Most investors run their portfolio one deal at a time. They watch whether rent came in, react to vacancies, and spend their hours on whatever is loudest. That is a **cash flow collector**. It can make money, but it rarely builds enterprise value.

A **holding company CEO** asks a different question about every asset: what is this business worth, and what moves it? The Scorecard turns that question into a number for each property, a place on a map, and a plan for the one that matters most.

> ***"What gets measured gets managed. What gets scored gets compared."***

Two ideas underneath the scorecard

NOI IS EBITDA. THE CAP RATE IS THE MULTIPLE.

Value = NOI ÷ Cap rate

8.0% cap	**12.5x**	7.5% cap	**13.3x**	6.0% cap	**16.7x**

Once you see the cap rate as a multiple, every operating decision becomes a valuation decision.

THE TWO ENGINES OF VALUE

Engine 1: grow NOI. Raise revenue, cut cost. At a 7.5% cap, every **$1** of added NOI is worth about **$13** of value.

Engine 2: compress the cap rate. Reduce risk so a buyer pays a higher multiple for the same NOI.

Most owners only work Engine 1. The best work both.

What you walk away with

A SCORED PORTFOLIO

Every property rated on six value levers, out of 30, side by side.

A PORTFOLIO MAP

Each business placed as Grow, Fix, Harvest or Exit, based on performance and your time.

A VALUE PLAN

One page for your most important property, with dollars attached to each move.

THE MODEL AT A GLANCE

Five Steps. Score It, Then Run It.

Work left to right. Do not write a plan for a property until you have scored all of them.

1
List Every Business
Name each property, its NOI, its cap rate and the hours it takes from you.

2
Score the Six Levers
Rate each property 1 to 5 on thesis, customers, CEO, revenue and cost, certainty and governance.

3
Map the Portfolio
Place each one as Grow, Fix, Harvest or Exit.

4
Plan One Property
Write a value plan for the property with the most at stake.

5
Review Every Quarter
Hold a board meeting for each asset. Rescore. Make the hold, refi or sell call.

What each step produces

STEP	THE QUESTION	WHAT YOU PRODUCE	THE TRAP IT PREVENTS
1 · List	What do I actually own, and what does each one take from me?	A one-line inventory with value and hours	Managing the loudest asset instead of the biggest one.
2 · Score	How well is each business run on the six levers?	A score out of 30 and the weakest lever	Judging a property by whether rent came in.
3 · Map	Where should my capital and hours go?	Every property in one of four quadrants	Pouring time into an asset that should be sold.
4 · Plan	What two or three moves raise this property's value?	A one-page value plan with dollars attached	"It was a good deal" standing in for a thesis.
5 · Review	Is the thesis still true, and what is the call?	A quarterly one-pager and a hold, refi or sell decision	A plan reviewed once and then forgotten.

The full path

GATHER THE NUMBERS → 1 · 2 · 3 · 4 → THE VALUE PLAN → EXECUTE → RESCORE EACH QUARTER

HOW LONG IT TAKES

A first pass on a five-property portfolio takes about **thirty minutes**. The value plan for one property takes another **twenty**. The quarterly rescore takes ten. The time is small. The cost of running a portfolio by feel is not.

BEFORE YOU BEGIN · READ IT LIKE A P&L

You Don't Own a Building. You Own a Business.

Translate each property into the language of a small business before you score it.

IN A SMALL BUSINESS	IN YOUR PROPERTY	WHY IT MATTERS TO THE SCORE
Revenue	Gross rents plus other income	Lever 4 asks if every revenue line has been found.
EBITDA	Net operating income (NOI)	The number the value is built on.
Valuation multiple	1 ÷ cap rate	Lever 5 is about earning a higher multiple.
Customers	Tenants	Lever 2. Retention is the cheapest growth.
Management team	Property manager, leasing broker	Lever 3. Your PM is the CEO of this business.
Customer churn	Lease turnover	Replacing one tenant can cost about 1.5 years of rent.
Backlog	Lease expiration schedule (WALT)	A cliff in one year lowers what a buyer will pay.
Board meeting	Quarterly asset review	Lever 6. Exit-ready owners move in days.

Gather these before you score

- Trailing 12-month operating statement and current rent roll
- Lease expiration schedule by year
- Debt terms and maturity dates
- Your PM's latest report, if you have one
- A rough count of the hours each property took from you last month

Coach's note: Estimates are fine for a first pass. A scorecard built on approximate numbers this week beats a perfect one you never finish.

THE WORKED EXAMPLE USED IN THIS GUIDE

An illustrative four-property portfolio. Names and numbers are fictional.

Elm Street Retail: six-tenant strip center. NOI $310K, 7.5% cap.

Oak Flex Industrial: multi-tenant flex with expansion land. NOI $520K, 7.0% cap.

Birch Pharmacy: single-tenant NNN, 12 years left on the lease. NOI $210K, 6.25% cap.

Cedar Office: small suburban office, 70% leased. NOI $140K, 9.0% cap.

STEP 1 OF 5

1 List Every Business You Own

You cannot allocate capital and time across a portfolio you have not written down in one place.

Coach's note: One line per property. Value comes from NOI divided by the cap rate. Hours are the time it took from *you*, not your team.

How to do it

1. **Name each property** and its type. Include anything under contract or in development.
2. **Write the NOI and a market cap rate.** Use trailing 12 months. Ask a broker for the cap rate if you are unsure.
3. **Calculate value.** NOI ÷ cap rate. This is the number every move in the plan will change.
4. **Estimate your monthly hours** on each one. Be honest. This number drives the map in Step 3.

Questions to ask yourself

- Which property is worth the most? Is it the one I think about most?
- Which property took the most hours last month, and what did those hours produce?
- Is anything on this list here only because I never decided to sell it?

WATCH FOR

- Leaving off a property because it "runs itself." It still has a value and a plan.
- Using purchase price instead of today's value.
- Hours rounded down to zero. Calls, texts and worry count.

IN THE EXAMPLE

Property	Value	Hrs/mo
Elm Street Retail	$4.13M	12
Oak Flex Industrial	$7.43M	10
Birch Pharmacy	$3.36M	1
Cedar Office	$1.56M	3

Total portfolio value: about **$16.5M**. Elm, the third-largest asset, takes the most hours.

STEP 2 OF 5

2 Score the Six Value Levers

Rate each property from 1 to 5 on each lever. These are the same six things a PE operating partner looks at in week one.

LEVER	THE QUESTION	A 1 LOOKS LIKE	A 3 LOOKS LIKE	A 5 LOOKS LIKE
1 · Thesis	Can you say in two sentences why it will be worth more at exit?	"It was a good deal." No written thesis.	A thesis exists but has not been revisited.	Written thesis, 100-day plan done, checked every quarter.
2 · Customers	Are tenants treated like customers?	You hear from tenants only when something breaks.	Renewals start a few months before expiration.	Check-ins 12 to 18 months out. Renewal intent is tracked.
3 · The CEO	Does your property manager run against a scorecard?	Hire and hope. No written targets.	Some reporting, reviewed when there is a problem.	A written scorecard, reviewed monthly. The PM can name three targets.
4 · Revenue and cost	Has every revenue line been found and every cost audited?	Rents below market. Insurance and taxes untouched for years.	Rents near market. Costs reviewed now and then.	Rents at market, other income added, costs re-bid in the last 24 months.
5 · Certainty	Would a buyer pay a higher multiple for it?	Over half the rent expires in one year. Messy books. It depends on you.	Some staggering. Books are clean enough.	Staggered expirations, strong tenants, clean rent roll, documented systems.
6 · Governance	Do you hold a board meeting for it?	No regular review. A data room would take months.	An annual look at the numbers.	Quarterly one-pager, a hold, refi or sell call, and a live data room.

SCORING GUIDE

Add the six scores for a total out of **30**.

25 to 30 Strong · **19 to 24** Solid, with gaps · **13 to 18** At risk · **6 to 12** Critical

WATCH FOR

- Scoring how you feel about the property instead of what is true today.
- Giving a 3 to everything. Use the full range.

STEP 2 OF 5 · READING THE SCORES

The Total Tells You Where. The Weakest Lever Tells You What.

Every property gets two readings: its total, and the one lever dragging it down.

Coach's note: Do not try to fix all six levers at once. Find the lowest score on each property. That is its first move.

If the weakest lever is...

WEAKEST LEVER	THE FIRST MOVE	WHICH ENGINE IT WORKS
Thesis	Write the two-sentence thesis and a 100-day plan before anything else.	Both. Without a thesis, the other moves are guesses.
Customers	Call every tenant expiring in the next 18 months this quarter.	Engine 1 (keeps NOI) and Engine 2 (lowers risk).
The CEO	Hand your PM a seven-line scorecard and review it monthly.	Engine 1. Better operations show up in NOI.
Revenue and cost	Re-bid insurance, appeal taxes, and add one new revenue line. Run the $13 rule on each.	Engine 1, directly.
Certainty	Stagger and lengthen leases. Clean the rent roll. Document the systems.	Engine 2. This is how the cap rate comes down.
Governance	Hold the first quarterly one-pager. Start the data room.	Both. It creates options when a window opens.

IN THE EXAMPLE

Property	Thesis	Cust.	CEO	Rev/Cost	Certainty	Gov.	Total	Weakest
Elm Street Retail	4	3	2	3	2	3	**17**	CEO, Certainty
Oak Flex Industrial	5	4	4	4	4	4	**25**	None below 4
Birch Pharmacy	4	4	4	3	5	4	**24**	Revenue and cost
Cedar Office	2	2	3	2	1	2	**12**	Certainty

Elm's 60% of rent expiring in 2027 drags its certainty score to a 2. Cedar scores critical.

STEP 3 OF 5

3 Map the Portfolio

Your hours are capital too. Allocate them like it.

Coach's note: Plot each property on two axes. **Performance** is high if it scores 19 or more and NOI is at or above plan. **Time and attention** is high if it takes more than about 8 hours a month from you.

PERFORMANCE ↑

Harvest Performing and low touch. Protect it. Don't fiddle.	**Grow** Performing and worth your energy. Invest here.
Exit Underperforming, and you have stopped investing in it. Decide.	**Fix** Underperforming but worth saving. Needs a plan and an owner.

TIME AND ATTENTION →

How to do it

1. **Place each property** in its quadrant using its score and your hours.
2. **Check the mismatch.** Is any Exit or Fix asset taking more of your time than a Grow asset?
3. **Set a deadline for every Fix.** If it cannot move to Harvest or Grow in 12 months, it becomes an Exit.
4. **Move one hour a week** from your lowest-value use of time to a Grow asset.

IN THE EXAMPLE

Grow: Oak Flex (25, 10 hrs). Expansion land is the next move.

Harvest: Birch Pharmacy (24, 1 hr).

Fix: Elm Street (17, 12 hrs). It gets the value plan in Step 4.

Exit: Cedar Office (12, 3 hrs). Sell or recapitalize within 12 months.

STEP 4 OF 5

4 Write a Value Plan for One Property

Pick the property with the most at stake: usually a Fix with real upside, or a Grow that deserves more of you.

Coach's note: Put a dollar figure on every move. Divide the NOI each move adds by the cap rate. That is the value it creates.

How to do it

1. **Write the thesis.** Two sentences: why will it be worth more at exit, and what has to be true?
2. **List the top three NOI moves** (Engine 1) and value each one with the $13 rule.
3. **List the top two risk reducers** (Engine 2) that would earn a lower cap rate.
4. **Name the operator scorecard**: your PM's three targets for the year.
5. **Set the capital plan, the exit view and one 90-day commitment** with an owner and a date.

WATCH FOR

- A thesis that describes the building, not the reason it will be worth more.
- Moves with no dollar figure. If you can't value it, you can't rank it.
- No sell trigger. Decide it before you need it.

IN THE EXAMPLE · ELM STREET RETAIL

Thesis: A well-located strip center run below its potential. Fix the lease cliff and the cost base, and it trades at a better multiple in three years.

Today: $310K NOI at 7.5% = **$4.13M**

Engine 1: insurance re-bid +$12K, NNN recovery +$10K, signage and parking +$8K. +$30K NOI ≈ **+$400K** of value.

Engine 2: renew three tenants early on staggered 5 to 7 year terms. Cap moves from 7.5% to 7.0% ≈ **+$324K**.

After: $340K NOI at 7.0% = **$4.86M**, about **$724K** of value created.

90-day commitment: renewal talks with all three expiring tenants by March 31. Owner: leasing lead.

5

STEP 5 OF 5

Review Every Quarter

Hold a board meeting for every asset, even if you are the only board member.

Coach's note: Rescore every property each quarter. The trend in the score matters more than any single number.

The quarterly one-pager

1	Thesis: still true?
2	Scorecard: the six levers, rescored
3	NOI trend against plan
4	Capital plan and debt maturities
5	Top risks
6	**The call: hold, refi or sell**

One rhythm for the year

Weekly, 30 minutes: lead measures and commitments.

Monthly, 60 minutes: each property against its plan and your PM's scorecard.

Quarterly, half a day: rescore, remap, and move capital and hours.

WHERE THE SMALL BUSINESS FRAME BREAKS

The debt. Great operations can't save bad debt terms or a maturity in a high-rate year.

The market. Market rent is a ceiling. Spending past what tenants will pay destroys value.

The dirt. Operations can lift a B asset to a strong B. They rarely make it an A.

KEEP A LIVE DATA ROOM

Leases and amendments, estoppels, service contracts, CapEx history, and a clean rent roll and financials. When a refi window opens or an offer arrives, exit-ready owners move in days. Everyone else needs months.

BEFORE YOU ACT

The Owner's Read: A Self-Check

Read your scorecard against these signals before you commit time or capital. Each one points to a specific fix.

SIGNAL	IF YOU SEE THIS	WHAT IT MEANS, AND WHAT TO DO
STOP	You cannot state the thesis for a property in two sentences.	You own a building, not a business. Write the thesis before any other move.
STOP	More than half of a property's rent expires in one year.	A buyer will price in the vacancy. Start renewals now. This is Engine 2.
STOP	Debt matures in the next 12 months with no plan.	The frame breaks here. Solve the capital structure first.
CHECK	Your property manager cannot name their three targets.	Neither can you. Hand them the scorecard this month.
CHECK	Insurance or taxes have not been re-bid or appealed in 24 months.	Run the $13 rule. A $15,000 saving is worth about $200,000 at a 7.5% cap.
CHECK	An Exit or Fix property takes more of your hours than a Grow property.	Your time is misallocated. Move one hour a week.
CHECK	Every property scores between 17 and 20.	You are probably scoring feelings. Rescore with evidence.
GO	Every property has a quarterly one-pager and a hold, refi or sell call.	You are running a holding company. Keep the cadence.
GO	You could produce a clean data room for any property within a week.	You are exit-ready, and you will negotiate from strength.

APPLIED TO THE EXAMPLE

Elm Street trips one STOP (60% of rent expiring in 2027) and one CHECK (no PM scorecard). Cedar Office trips the time check in reverse: it takes few hours because it has been neglected, which is why it maps to Exit rather than Fix. Oak Flex and Birch are a GO.

WORKSHEET A

The Portfolio Scorecard

Date: _____

Score each lever 1 to 5. **1** Thesis · **2** Customers · **3** The CEO · **4** Revenue and cost · **5** Certainty · **6** Governance. Value = NOI ÷ cap rate. Quadrant: **G**row, **F**ix, **H**arvest or **E**xit.

PROPERTY	NOI	CAP	VALUE	1	2	3	4	5	6	TOTAL	HRS/MO	G F H E

TOTAL PORTFOLIO VALUE

HIGHEST SCORE · LOWEST SCORE

MOST HOURS, LEAST VALUE

THE WEAKEST LEVER ACROSS MY PORTFOLIO, AND THE FIRST MOVE

SCORING BANDS

25 to 30 Strong · **19 to 24** Solid, with gaps · **13 to 18** At risk · **6 to 12** Critical. Performance is high at 19 or more with NOI at or above plan.

WORKSHEET B

The Portfolio Map

Date: _____

Write each property's name in its quadrant, with its score and monthly hours.

LOW · PERFORMANCE · HIGH

Harvest Performing, low touch. Protect it.	**Grow** Performing, worth your energy. Invest.
Exit Underperforming, neglected. Decide.	**Fix** Underperforming, worth saving. Plan it.

LOW · TIME AND ATTENTION · HIGH

THE PROPERTY I WILL GROW, AND HOW

THE PROPERTY I WILL FIX, AND BY WHEN

THE PROPERTY I WILL EXIT OR RECAPITALIZE

THE HOUR A WEEK I WILL MOVE, AND WHERE

WORKSHEET C

The Asset Value Plan

Property: _____ Date: _____

1 THESIS · WHY WILL IT BE WORTH MORE AT EXIT? WHAT HAS TO BE TRUE?

TODAY'S VALUE

NOI $_____ ÷ cap _____% = $_____

TARGET VALUE

NOI $_____ ÷ cap _____% = $_____

4 ENGINE 1 · TOP THREE NOI MOVES

MOVE	NOI ADDED	÷ CAP = VALUE	OWNER

5 ENGINE 2 · TWO RISK REDUCERS

2 CUSTOMERS · RENEWALS IN THE NEXT 18 MONTHS

3 THE CEO · MY PM'S THREE TARGETS

6 GOVERNANCE · CAPITAL PLAN AND EXIT VIEW

90-DAY COMMITMENT

THE MOVE	OWNER	DATE

MY CALL THIS QUARTER

Hold | Refi | Sell | Invest more Sell trigger: _____