

## BUSINESS HEALTH ASSESSMENT

Answer each question. If true, check the box. Be rigorous, be a hard grader. If the statement is sometimes or usually true, please do not check the box unless the statement is virtually always true for your business. If the statement does not apply to your business or will never be true for your business, check the box. (You get credit for it because it does not apply or will never happen). You may change any statement to fit your statement better.

### A. SERVICE EXCELLENCE

<input type="checkbox"/>	We have an objective system to quantitatively measure customer satisfaction.
<input type="checkbox"/>	We hold quarterly meetings with key clients and make changes to improve service.
<input type="checkbox"/>	The standards and philosophies of our business are known and enhanced.
<input type="checkbox"/>	Our staff learn from every mistake or client loss.
<input type="checkbox"/>	Our service standards are very high and are in writing.
<input type="checkbox"/>	We have created and implemented a total quality management program.
<input type="checkbox"/>	We continuously add value to products and services whether or not the customer asks for it.
<input type="checkbox"/>	We deliver service and requirements in record time and in excess of customer expectations.
<input type="checkbox"/>	We have a strong reputation for being the best in service delivery.
<input type="checkbox"/>	We know what our customers want and need even before they do.

### B. STAFF MANAGEMENT

<input type="checkbox"/>	Staff accountabilities are written and clear.
<input type="checkbox"/>	Staff reviews are conducted on a quarterly basis.
<input type="checkbox"/>	Staff members report to managers automatically.
<input type="checkbox"/>	Staff members know what their contribution is.
<input type="checkbox"/>	Each staff member is in a job that uses his or her strengths. There is no suffering or mismatches.
<input type="checkbox"/>	Consequences for non performance are known and are imposed.
<input type="checkbox"/>	Every employee is competent and skilled. There are no weak links. Every manager is qualified by experience, education, loyalty, motivation and competence.
<input type="checkbox"/>	No one is coasting or being carried.
<input type="checkbox"/>	Everything has a deadline or promised completion date. The employee and manager manage this.
<input type="checkbox"/>	Staff members want to come to work and are well taken care of at work.

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### C. PLANNING AND STRATEGIES

<input type="checkbox"/>	We have a business plan that sets forth the strategic and operational objectives and plans for the year.
<input type="checkbox"/>	Quarterly planning sessions are conducted with managers and staff.
<input type="checkbox"/>	The market for our products or services is good or excellent.
<input type="checkbox"/>	The business plan is being used, measured against and updated at least quarterly.
<input type="checkbox"/>	Well-sourced sales projections are used to establish inventory, staff and cash requirements.
<input type="checkbox"/>	The business is going in a single direction and every major decision supports that direction.
<input type="checkbox"/>	The business has more than enough resources to meet its short term objectives.
<input type="checkbox"/>	Adequate cash is always available for emergencies.
<input type="checkbox"/>	The business has the right consultant, coach, banker, accountant and advisors to guide it properly.
<input type="checkbox"/>	The business is not dependent on a single supplier.

### D. SALES MANAGEMENT

<input type="checkbox"/>	Sales are being carried out only by those who can really sell. There are no extra bodies in the sales area.
<input type="checkbox"/>	Salespeople are managed daily or weekly on results and the source of less than quota results is known.
<input type="checkbox"/>	Every sales person has a daily quota and meets or exceeds this quota.
<input type="checkbox"/>	Sales peoples' compensation is adequate.
<input type="checkbox"/>	The sales staff are a team working on a daily goal together. Awards are given.
<input type="checkbox"/>	Unit sales volume is increasing.
<input type="checkbox"/>	The sales staff prepare sales projections and performance against the forecast is monitored frequently.
<input type="checkbox"/>	The sales staff are motivated, productive and excited about their success.
<input type="checkbox"/>	The sales department maintains an attractive visual display of group and individual sales.
<input type="checkbox"/>	The sales department is supported by every other department and is cheered on.

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### E. PRODUCTIVITY

<input type="checkbox"/>	All paperwork is touched only once.
<input type="checkbox"/>	Operations are fully computerised.
<input type="checkbox"/>	The business is a problem free zone. Any problem is handled immediately and the source eliminated.
<input type="checkbox"/>	A single individual is has responsibility for the day to day operating decisions.
<input type="checkbox"/>	The staff do very accurate work. Nothing is thrown together or substandard.
<input type="checkbox"/>	The staff work hard and intelligently with no duplication.
<input type="checkbox"/>	Decisions are pushed down as far as possible.
<input type="checkbox"/>	Every meeting accomplished something specific.
<input type="checkbox"/>	Staff communicate everything that is getting in the way of their productivity and do so without complaining.
<input type="checkbox"/>	Staff have the equipment and training they need to double their productivity.

### F. PROFITABILITY

<input type="checkbox"/>	Profits are very high at a very conservative level of sales, or a whole lot is being sold.
<input type="checkbox"/>	Profitability is not an issue or a problem.
<input type="checkbox"/>	Staff and plants are being utilised at 80% plus.
<input type="checkbox"/>	Break-even levels are low.
<input type="checkbox"/>	Services and or products are packaged so that they produce an income stream, not just a one time sale.
<input type="checkbox"/>	The business is profit driven, not merely revenue driven.
<input type="checkbox"/>	Budget variances are recorded, analysed and managed.
<input type="checkbox"/>	Individual responsibilities for achieving financial goals are clearly defined.
<input type="checkbox"/>	The business is one of the leaders in the market.
<input type="checkbox"/>	Pricing policy is not tied to the market leaders.

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### G. LEADERSHIP

<input type="checkbox"/>	The business owner has a strong vision and others have bought into it.
<input type="checkbox"/>	The business has a simple mission statement.
<input type="checkbox"/>	The business culture is co-operative rather than adversarial.
<input type="checkbox"/>	The business has very large goals and everyone is excited about reaching them.
<input type="checkbox"/>	The business owner frequently interacts with employees at all levels.
<input type="checkbox"/>	The business owner initiates huge requirements.
<input type="checkbox"/>	The business owner is developing leaders, not just managers.
<input type="checkbox"/>	Staff are proud of the high quality work they do.
<input type="checkbox"/>	The business is customer sensitive and customer driven.
<input type="checkbox"/>	The staff are proud of their role in the success of the business.

### H. FINANCIAL TRENDS AND RATIOS

<input type="checkbox"/>	Debt service ratio as a percentage of gross profit decreased last year.
<input type="checkbox"/>	The ratio of business debts to equity decreased last year.
<input type="checkbox"/>	All accounts receivable are being collected in terms of standard policy.
<input type="checkbox"/>	General and administrative expenses are decreasing as a percentage of net sales.
<input type="checkbox"/>	Profit margin has increased for core products or services over the last three years.
<input type="checkbox"/>	No one customer accounts for more than 25% of total sales or receivables.
<input type="checkbox"/>	Sales are consistent and increasing.
<input type="checkbox"/>	Staff turnover is less than 20% per year.
<input type="checkbox"/>	Inventory turnover is high.
<input type="checkbox"/>	Customer satisfaction and repeat buying are increasing.

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### I. OWNERS' PERSONAL BALANCE

<input type="checkbox"/>	The owner has more time than he or she needs because everything is so well done or delegated.
<input type="checkbox"/>	The owner has a right-hand person or assistant who handles every detail so the owner has space.
<input type="checkbox"/>	The owner has a strong, happy and healthy personal life with lots of physical activity and pleasure, so work is just work and not his or her life.
<input type="checkbox"/>	The owner is adrenalin free.
<input type="checkbox"/>	The owner is putting aside plenty of funds with which to become financially independent.
<input type="checkbox"/>	The business is always in good enough shape to sell.
<input type="checkbox"/>	The owner has a strong and healthy personal life.
<input type="checkbox"/>	The owner enjoys creating blockbuster results for the business.
<input type="checkbox"/>	The owner has created a list of 10 personal daily habits and does them consistently.
<input type="checkbox"/>	The owner is proud of himself or herself as a human and as a business owner.

### J. ACCOUNTING AND TAXES

<input type="checkbox"/>	Bank reconciliations are complete and up to date.
<input type="checkbox"/>	All income, sales and property taxes are paid and current.
<input type="checkbox"/>	All bills are routinely paid on time.
<input type="checkbox"/>	Payroll is automated, accurate and effortless.
<input type="checkbox"/>	Inventory procedures are in place to ensure an accurate account of usable inventory is always available.
<input type="checkbox"/>	Accounts payable ledger is current and includes all bills and purchase orders.
<input type="checkbox"/>	Loan payments are up to date and in line with all loan agreements
<input type="checkbox"/>	The accounting department is well run.
<input type="checkbox"/>	Financial statements are done by the 15 <sup>th</sup> of each month.
<input type="checkbox"/>	Each department gets the reports it needs and uses.