

Strategic Planning

LOW

MEDIUM

HIGH

Business Strategy

Do you know what business you are in? Have you developed a written statement of your company mission? Do you have written objectives to guide your company's performance in critical areas? Are they specific and measurable? Have you created written policies to guide action and decision making in the organization and to ensure consistency?

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Marketing Strategy

Do you have a written description of your target market? Do you know your customer's characteristics? Where are your customers? In addition to a tangible product or service, what are they purchasing when they buy from you? Do you have a master strategy designed to keep your company ahead of the competition? Have you identified your company's distinctive competence – the quality that sets it apart from the competition?

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Planning for Growth

Do day-to-day activities involve you so much that you find no opportunity for advance planning? Do you find recurring crises force you to make decisions before you are able to thoughtfully analyze them? Are you grooming someone to succeed you?

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Succession Planning

Have you planned for the succession of your business? Do you know and understand your options? Have you determined a tax strategy? Do you have trusted advisors in place (experienced attorney, CPA, banker or business broker)?

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Total Strategic Planning Score _____

Finance and Control

LOW

MEDIUM

HIGH

Accounting System

Do you have an accounting system that provides a full range of data sufficient to make management decisions? Is the data accurate and timely? Does your accounting system provide you with monthly statements? Do you understand each element of the accounting statements you receive? Do you reconcile bank statements monthly? Are accounts receivable aged regularly? Do you apply break-even analysis and opportunity cost analysis to your business activities?

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Budgeting and Expense Control

Are company expenditures based on an established budgeting system? Are budgets tied to set time periods, performance standards, and incentives? When you set budgets, do you discuss them with key employees? Have you constructed a break-even model for your business? Have you compared your cost, revenue, and profit figures against industry data from your trade association? At the end of each accounting period, do you review your actual operations and your forecast together?

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Business Documents

Does your business have proper documentation (Articles of Incorporation, LLC, Partnership, or other) in place? If the business has more than one owner, are suitable documents signed and in place to assure orderly succession? Does your business make all business filings with the state? If you are a corporation, do you hold and document corporate minutes? Are all permanent documents (insurance policies, leases, legal documents) in a fireproof safe?

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Cash Management

Are all cash receipts deposited to the company bank account? Are cash receipts records processed by two or more people working independently? Are all withdrawals of cash controlled by numbered checks? Do you monitor and reconcile all cash disbursements against the original authorization? Are all checks and purchase orders pre-numbered and accounted for? Can you use lines of credit to decrease the demands for cash? Do you calculate your cash flow regularly?

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Marketing and Sales Strategy

LOW

MEDIUM

HIGH

Marketing

Do you know the specific segment of the market your business is attempting to serve? Is the service you provide with your products superior to that of your competition? Do you attempt to meet competitors head-on or sell differentiated products that carry a different price/value relationship? Are your marketing and promotion efforts honest and straightforward?

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Assessment of Competitors

Do you make an assessment of your competitors' actions so that you can plot a strategy to meet them? How do customers perceive your firm in comparison to your competitors?

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Business Location

Is your location convenient and easily accessible to your target market? Are transportation facilities such as access, parking, loading and unloading, public transportation, and lighting well developed at your location?

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Pricing

Are your prices competitively based on the quality and services that go with each product sold? Do you use break-even analysis in computing cost for price setting? Are there economies of scale in your operation that enable you to sell at a lower price than competitors? Have you developed a pricing strategy that allows you to adjust prices to meet competitive situations as they develop?

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Sales Strategy

Have you identified potential opportunities for increased sales and profits for your company? Do you predict future trends and their affect on your business?

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Total Marketing and Sales Strategy Score _____

BUSINESS SCORING

Obtain your score by area. Determine the area with the lowest score based on points possible. Assess why this area is your lowest and what impact this is to your business; it may be financial or increased risk. Decide on an action plan you will implement to improve this score. If you have other low areas, prioritize these and add them to your plan as well. Those items that have the greatest impact on the financial well being of the business should be considered first.

Management Score (out of 20) _____

Strategic Planning Score (out of 20) _____

Finance and Control Score (out of 35) _____

Marketing and Sales Strategy Score (out of 25) _____

Total Score (out of 100) _____

Now, look at your total score. Assess your score based on the following criteria:

- | | |
|----------|---|
| 85 – 100 | Overall, your business is strong. Keep doing what you are doing well. Always look for ways to improve. |
| 70 – 84 | Your business is doing reasonably well. Running a strong business is tough. Look at your scores and make an action plan. Find ways to improve your business. Come back and reevaluate the scorecard in three months. |
| 55 – 69 | Your business needs attention. Look at your scores and determine the priorities for your business. Make a three-month plan and implement it. Start with those items that will have the greatest impact on the financial well being of your business. Get going. You have no time to lose. |
| Below 55 | Your business is in trouble. Use the scores to determine an action plan. Find strategic advisors to help you determine priorities. Implement the plan NOW! Come back and reevaluate in two weeks. Evaluate your plan and make adjustments. Check your progress regularly. |