



Small Business Evaluation Guideline

Every business owner I have ever met wants to be the best. What they want to be the best at, and how many aspects of the business they want to be the best at has varied from owner to owner.

We have created this guideline to assist us as we work together to evaluate where your business excels as well as to denote the opportunities for your business to make the improvements that you deem necessary.

Based on one of our most popular presentations, '**What it takes to be a 5 star business**', we ask a series of questions based upon the ten measuring points in that presentation. They are:

- Business image
- Technology usage
- Advertising, marketing & promoting
- Customer service
- Business atmosphere
- Marketing position
- Financial understanding
- Business improvement
- Self-improvement
- Pacing

Some questions are answered with a simple 'yes' or 'no'. Other questions require an answer based on a multi-point scale. **The more info, the better.**

The tabulation of this evaluation can only be as good as the input is honest. As compared to personality profile questions that have none, some questions in this evaluation do have right or wrong answers. Without many of these questions being answered correctly, many businesses cannot overcome the challenges of meeting the level of profitability they deem necessary.

Together, we can find your answers and the solutions necessary so that your business operates as the business you want it to be.

Tom Shay

So that I may follow up with you, please provide:

Name _____
Business name _____
Business address _____
City, State, Zip/Postal code _____
Business phone _____
Business email _____
Website _____



Business image

Describe the building when first seen by a customer?

Describe the condition of the parking lot; landscaping; exterior lighting?

The windows are clean and posters on the windows are up to date?

How is the lighting in the business utilized to get someone's attention?

How appropriate are the fixtures for the business? In what condition?

Describe how displays move customers about the business?

How can employees be identified by customers (name tags or attire)?

Describe the bags and packaging for customer's purchases.

Give an 'image statement' about the store.

Which employees have personalized business cards?

How are company vehicles identified?

What do receipts, invoices and statements look like?



Marketing position

Describe, in detail, the target customer.

What is the average number of items on a ticket? Average ticket size?

Has the business performed a 'pin map' study to determine where customers live?

List who the competition is.

How often is the competition shopped by the staff of this business?

How is media utilized selected?

Define the niche of the business.

How often is customer data base updated? How is it done?

Do existing customers bring new customers to the business?

What is the 'focal point' of customer attraction?

Is there a markdown section to the store?

How often is merchandise added to this section?

Are there many high margin items for sale?



Technology usage

What components of the business utilize an 'in-house' computer system? (A/R, A/P, payroll, GL, POS, etc)

Do the components of the computer system exchange information?

How long has the business been computerized?

When was the last software update?

When was the last hardware update?

Are the sales and ordering of merchandise tracked by a department/fineline system?

How are sales reports utilized to determine merchandise placement in the business?

How are sales reports utilized to determine the amount and timing of staff on the sales floor?

Are sales reports utilized to determine departments and finelines that should be enlarged or diminished?

Are margins reviewed by department and fineline?

Are there any aspects of management that are being handled by a third party that could instead be handled by the 'in-house' computer?

Is there a daily backup of the computer data with an offsite storage?



Financial management

How often are financial statements created?

How soon after the end of the month are financial statements created?

How much input does the owner or manager provide to the accountant for the financial statements?

What is the level of understanding of financial statements by the owner or manager?

Is a projectionary cashflow chart utilized and updated monthly?

If utilized, are the projections accurate?

Are 'what if' scenarios utilized in making financial decisions?

Is an annual budget created?

Is an 'open to buy' system in place within the business?

Are operating expenses compared to industry standards?

Are financial ratios calculated and evaluated?

Are bills paid on time?

How much confidence do you have that the inventory is correctly recorded in your system?



Advertising, marketing, and promotion (AMP)

Does the business utilize a predetermined advertising budget?

How far in advance is it prepared?

Does the business have a 'tag line' for advertising? How long has it been utilized? What is the tag line?

Are there specific promotional events identified with this business?

How much of the annual advertising budget is spent speaking to existing customers as compared to speaking to the public?

If you have one, describe the preferred customer program?

What percentage of the advertising budget is spent on 'image advertising'?

How long has it been since a new media has been tried?

How long has it been since a media has been dropped?

How many media outlets are utilized?

How is the advertising measured for effectiveness?

Is a staff education meeting held in advance of all advertising?

Do you Twitter? Facebook? Blog? Foursquare? YouTube? LindedIn?



Business improvement

How many years of experience does the owner/manager have in this industry?

Describe the staff education program.

How many hours of education does the owner/manager participate in each year?

How much of education is spent on technical as compared to managerial?

Is management open to new ideas?

What was the last 'new idea' implemented?

Does the owner have a mentor, or is the owner a mentor? Describe.

Is there a store advisory board that meets on a regular basis? Describe.

When was the interior or exterior of the business last remodeled?

What is the business mission statement?

Has the business added on-line or catalog sales to the sales mix?



Customer service

What is the procedure for resolving customer issues?

What is the most commonly used opening comment given to a customer?

What percentage of customers are known by name by employees?

Birthday cards are sent to customers?

Store hours are extended for customer convenience?

Store has a mission statement that is customer focused as compared to having a 'customer service policy'? Define.

What promotions are offered to existing customers to invite them to return?

What events are offered to customers to educate them how to use your products and services?

How are hours for staff to work determined?

How strict is the return policy of the business?

Employees are hired because of personal skills instead of technical skills?

How do employees work to 'transform' customers instead of just selling?



Self-improvement

Describe the owner/manager's outlook on business.

Describe the owner/manager's always outlook on the community.

The owner/manager and staff display a 'can do' attitude towards work.

How many business books do you read each month?

How is the staff rewarded for reading sales skills books and trade publications each month?

Do employees have daily, weekly and monthly written goals that are monitored?

Are employees rewarded for their efforts? How?

Are employees penalized for their failures? How?

Employees are encouraged to 'do what needs to be done'

Is there a written store customer service statement that is printed and visible to employees and customers? Describe.

Management is open to new ideas from employees and customers

Owner and manager accept blame for situations where things go wrong



Business atmosphere

Do customers have 'fun' when they do business with you?

Do employees feel they are a part of a family?

Are employees able to communicate easily and openly with each other?

Are there written job descriptions, job specifications, policies and procedures?

Poor performing employees are terminated?

Employees do not quit to go to jobs they like better?

Business has a large number of repeat and referral customers.

Staff members have semi-annual job reviews.

There are no employees that are 'hidden' from customers because of a lack of personal skills.

Business is known as active participants in the community and trade.

When was business last interviewed by the media because of their statue in the area?

The business atmosphere is conveyed in the store's advertising



Pacing

How many hours does the owner work each week?

How many weeks of vacation does the owner take each year?

Owner/manager attends how many trade shows and conferences each year?

Owner/manager attend how many business management seminars?

All employees utilize daily 'to do' lists.

Short, mid-term, and long-term goals are established, written, and monitored.

Owner takes care of self with regular medical and dental checkups.

Doesn't 'live' in the 'good old days'.

Does not have the 'all time achievement' goal before them.



Thank you for participating in this self-evaluation. We believe by utilizing this form, as well as periodically repeating the evaluation, you will see confirmation of the things you are doing right, things that are going in the right direction, as well as the things that need to be changed or even stopped.

If I have ever worked with your business as a part of my visiting your community through your Main Street program, Chamber of Commerce or similar group, you know I am always available to answer your questions at no cost to you.

For other businesses, perhaps you would want to utilize our individualized coaching program. With this, we begin work with you over a six-month program on the aspects of your business that you have challenges or opportunities with. The contract is renewable in six-month increments.

As examples, we have helped people with:

- Setting up their financials so that they can use them as tools to manage
- Creating a staff education program and reward system for employees
- Creating a business plan and working through the decision to open a new store
- Establishing an inventory control system
- Repositioning a store with regard to the target customer and product lines carried
- Moving parts of the advertising budget from traditional advertising into customer retention marketing

We can work with you to help you and your business. To contact us, you can do so by email, telephone or visiting this page on our website:

<http://www.profitsplus.org/coach>

Let's work together to make your dreams and plans come true!