



## 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.

We identify ten measuring points:

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

We minimize the number of questions that can have a "yes" or "no" answer so that you can expound; after business is rarely a simple answer.

My comments on this self-evaluation can only be as good as the input is honest. As compared to personality profile questions, some in this evaluation do have right or wrong answers. I think you will know those as you provide your answers.

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? If Internet based, describe the website.

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

How often are the windows are clean and signage/posters on the windows updated? How often is landing page of website updated?

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

What percentage of the fixtures are provided by vendors? When were the fixtures updated? For Internet business, how dominant is the name of your business compared to names of vendors on your website?

Describe how displays move customers about the business? For Internet business, how do you get visitors to click about the site?

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

Describe the bags and packaging for customer's purchases.

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? What is your average ticket size?

How do you know where your customers live? For Internet businesses, how do your customers find your website?

When was the competition was shopped by the staff of your business? What did you learn from the experience?

Define the niche of the business.

After a customer has done business with you the first time, how does your business reconnect with that person? How often?

Is there a markdown section to the store?

How often is merchandise added to this section?

What is the range for the gross margin of what you offer for sale?



## **Technology usage**

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

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?

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

How often are margins reviewed by department and fineline?

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

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?

On a scale of 1-10, what is the level of understanding of financial statements by the owner and/or manager?

Is an annual budget created? If no, are you comfortable with the cash position and future of the business to be without a budget?

Is a projectionary cashflow chart utilized and updated monthly?

If utilized, how accurate are these projections?

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

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?



## **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?

What percentage 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"? (not item and price advertising; not event advertising)

When was a new media last tried? What was the last media to be dropped? How did you decide to drop it?

How many media outlets are utilized?

How is the advertising measured for effectiveness?

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

Describe your presence on social media?



## **Business improvement**

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

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

How many hours of technical or product education does the owner/manager participate in?

What was the last "new idea" implemented?

What was the last idea that failed?

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?



## **Customer service**

What is the procedure for resolving customer issues?

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

What percentage of customers are known by name by employees?

What are the hours of the business?

What days of the year is the business closed?

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 strict is the return policy of the business?

How do employees work to 'transform' customers into advocates of what you sell and the business instead of just selling?



## **Business atmosphere**

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

What events are held among employees to help them feel they are a part of a family?

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

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

Business has a large number of repeat and referral customers.

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



## **Staffing**

Describe the staff education program.

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

All employees utilize daily 'to do' lists.

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

Staff members have semi-annual job reviews.

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

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

Poor performing employees are terminated?

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



## **Self-improvement and pacing**

Describe the owner/manager's outlook on business.

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

How many business books do you read each month?

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?

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



During the time we get to visit in person, by phone or email, what questions about your business do you want to make sure that we discuss and answer for you?

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.

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

*Tom Shay*