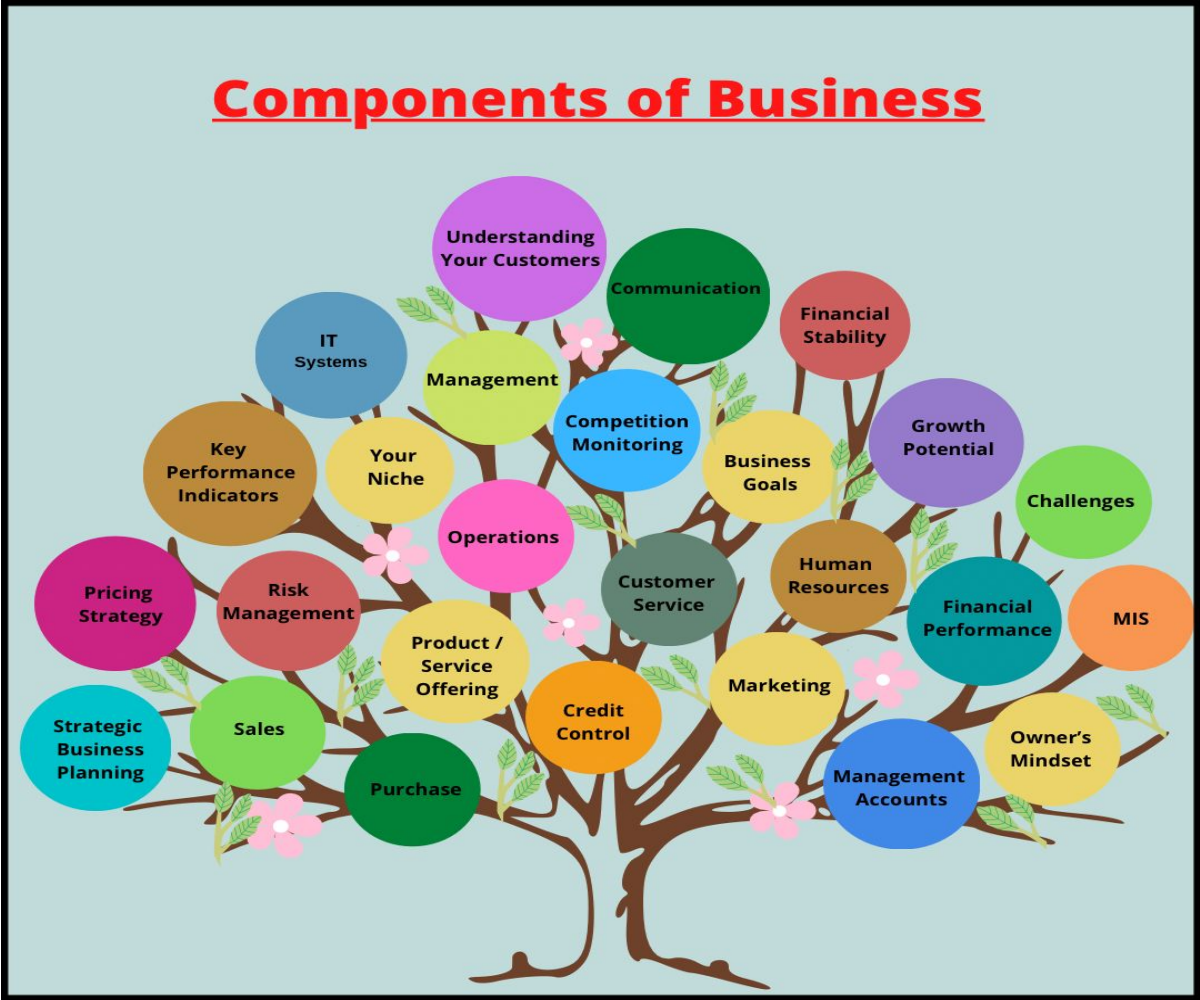


BUSINESS GROWTH REPORT
FOR
HBC



Dt: 01-05-2023

Overview

This Report aims at analysing and identifying the growth pattern of the business.

It shall reveal the existing gaps to be bridged within the Company as required for stronger growth.

Thank you for answering all the questions.

The Report is based on the Answers provided by you.

Each section is individually scored.

Questions posed to you were broken into 26 logical Sections. Each of these Sections has a total score of 100.

The Report is lengthy. For the desired results, it is advisable to take 1 area at a time and start implementing the suggestions. Here, you can start:

- Either from the area which has the lowest score
- Or the area which you feel would give the most beneficial results.

We recommend the following steps to facilitate you to take the maximum advantage of the Report.

1. Establish your growth ambitions / vision with a timeline of 1 – 5 years depending on what is best suited to your type of business.
2. Determine your metrics – the way in which you would measure success.
3. Create a plan keeping in mind the result of this Report. We have used 3 colours namely **GREEN** , **YELLOW** and **RED** to highlight the scores.

● **Green** colour signifies that this particular business area is working satisfactorily or better than expected and that no immediate remedial action is required in this particular business function.

If you feel these are your strengths you may further work on to achieve faster business growth.

● **YELLOW** colour signifies that this particular business area is not working as it should and that some form of further analysis and remedial action is required.

● **RED** colour signifies that this particular business area is in crisis and that you need to take immediate action to address a serious problem within this business function. Such areas could be responsible for slowing down the pace of growth. In case they are critical to the business, they could be responsible for derailing it totally ignoring other areas of strength. We would highly recommend a quick corrective action on all such areas.

- Fix a date each month to review the progress and make amend, in case required, in the existing plan.

4. Meet with all the stakeholders and after discussions decide the following :

- Who would take what action (s).
- Set deadline in place for each action to enable timely measures to complete each task.
- Fix a date each month to review the progress and make amend, in case required, in the existing plan.

Smaller businesses may question whether they have 26 functional areas or not.

Functional areas are not departments within a business, rather, these are the elements that can be found in most businesses. If you have no activity in any particular area at this time, it may simply be an indication that it might be useful to consider such an area for analysis or action.

Most business owners should be able to address some of the business issues identified in this Section themselves. However, in case you feel that you are not in a position to address problem areas in your business yourself or even with your existing team, then we would recommend that you engage with us and we will help you to implement the required changes.

We concede that this Report will not give you 100% accuracy in relation to your business. This could not be realistically achieved without spending time in your business and talking to you and/or your people at some length. However, based on our initial question set, and the answers given by you, this Report should provide a pretty good high-level assessment of what is going on in your business.

It is important to remember that businesses are dynamic in nature and change over time. Consequently, the scores you achieved today may be radically different if you were to answer the question set again in 3 to 6 months time.

We recommend that:

- you do this assessment on a quarterly basis to get the best results.
- your entire management team can sit together and take this assessment every time.

The Report covers 26 sections. Brief about all the sections is given hereunder:

S No.	Section	Score (%)	Colour
1	Marketing	90	
2	Sales	94	
3	Customer Service	72	
4	Pricing Strategy	77	
5	Understanding your customers	100	
6	Credit Control	77	
7	Product / Service Offering	67	
8	Purchase	100	
9	Human Resources	94	
10	Operations	90	
11	Financial Performance	76	
12	Financial Stability	70	
13	Management Accounts	100	
14	IT Systems	100	
15	Management	100	
16	MIS	75	
17	Business Goals	107	
18	Your Niche	74	
19	Challenges	97	
20	Growth Potential	100	
21	Risk Management	89	
22	Key Performance Indicators	90	
23	Communication	78	
24	Strategic Business Planning	94	
25	Competition monitoring	74	
26	Owner's Mindset	35	

Category 1	Marketing	<ul style="list-style-type: none">• Identify the strength of your marketing team.• Check the budget allocation for marketing.• Whether the return on investment is positive with respect to marketing.
Category 2	Sales	<ul style="list-style-type: none">• Checks the operations and effectiveness of sales function.
Category 3	Customer Service	<ul style="list-style-type: none">• Questions the customer service focus in the business.• Identify ways in which customer service can be enhanced.
Category 4	Pricing Strategy	<ul style="list-style-type: none">• Identify the adequacy of your profit margins.• Check the accuracy of the methods used for product pricing.• Establish the impact of price increases or decreases on the business.
Category 5	Understanding your customers	<ul style="list-style-type: none">• Explores the target markets for business.• Best ways to attract and retain customers.• Figure out how the business is currently engaging with the customers and what can be improved.
Category 6	Credit Control	<ul style="list-style-type: none">• Checks adequacy of your credit control procedures.• Measures the speed at which you turn receivables into cash.
Category 7	Product / Service Offering	<ul style="list-style-type: none">• Product / Service Offering.• Evaluates the risks and benefits that are associated with your product choices.

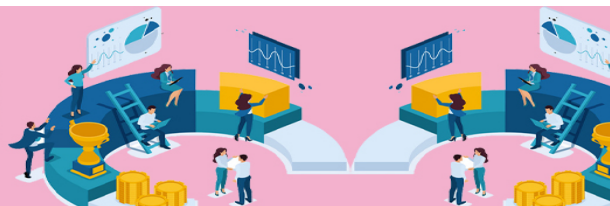
Category 8	Purchase	<ul style="list-style-type: none">• Identifies the processes involved in procurement.
Category 9	Human Resources	<ul style="list-style-type: none">• Identify the experience and work ethics.• Assess the quality of communication in business.• Identify if any problem exists in the functioning of HR.• Checks the quality of performance management and accountability within the business.
Category 10	Operations	<ul style="list-style-type: none">• Identify operational capability of the business.• Check effectiveness of administration.
Category 11	Financial Performance	<ul style="list-style-type: none">• Checks the ways in which you track and measure the financial performance of the business.• Evaluates risk factors that can impact financial stability of the business.
Category 12	Financial Stability	<ul style="list-style-type: none">• Assessing the financial stability of the business.• Checking the access to debt and/or equity funding.
Category 13	Management Accounts	<ul style="list-style-type: none">• Check the adequacy of the management accounting function.• Identify whether the monthly financial reports are timely and used adequately.
Category 14	IT Systems	<ul style="list-style-type: none">• Identify the adequacy or inadequacy of the existing computer system.• Checks for the data security measures and the robustness of the backup protocols.

Category 15	Management	<ul style="list-style-type: none">• Identify the experience and competence of the management team.• Knowing various perceptions of management as to how well the business is managed.• Check whether management team is complete or not.
Category 16	MIS	<ul style="list-style-type: none">• Quality of information generated by the MIS in use.• Check if it adequately meets the business needs.
Category 17	Business Goals	<ul style="list-style-type: none">• Identify business goals.• Assess the effectiveness of the implementation process.
Category 18	Your Niche	<ul style="list-style-type: none">• Identify key differentiating factors and sustainable competition in the prevailing conditions.
Category 19	Challenges	<ul style="list-style-type: none">• Identify specific challenges facing the business.• Analyse the methods / ways in which they are being addressed
Category 20	Growth Potential	<ul style="list-style-type: none">• Identify the opportunities that exist for your business both in terms of quantity and quality.
Category 21	Risk Management	<ul style="list-style-type: none">• Identify the key business risks facing the business and how you mitigate the same.

Category 22	Key Performance Indicators	<ul style="list-style-type: none">• Highlights a wide range of possible KPIs.• Ascertain the ones commonly used in your business.• Evaluates the benefits derived by you through the use of KPI's.
Category 23	Communication	<ul style="list-style-type: none">• Identify the quality of internal communication in the business.• Check the type and extent of information being made available to the employees.
Category 24	Strategic Business Planning	<ul style="list-style-type: none">• This section questions your attitude to business planning and highlights the importance of using your business plan to drive the business forward.• It looks to identify the core values of the owners, the vision for the business, as well as the mission, objectives and strategies that may exist.
Category 25	Competition monitoring	<ul style="list-style-type: none">• Assess your knowledge of the prevalent competition.• Identify the probable threats to the business.
Category 26	Owner's Mindset	<ul style="list-style-type: none">• Identify limiting beliefs, barriers in owner's mindset restricting the business growth.

Marketing | Points: 90

MARKETING



● Market Size

It is good to know that you know the total market size for your products and services. This should help you calculate your market share. This will help in widening your horizon and also make you aware of the limitless potential of your business. You can also access our market size template to carry out this activity.

● Marketing Plan

It is absolutely necessary for any business to have a well defined marketing plan in order to grow consistently. Since you already have one, you should make sure its perfect in all aspects.

● Components of Marketing Plan

- Since **Business Description** is not part of your Marketing Plan, incorporate the following:

- **Describe your business**

1. Mission statement, corporate vision, and strategic intent.
2. Long-term goals and objectives, e.g., profit, ROI, market share, expanding reach into existing set of core customers, or expansion into new markets.

- **Organization**

1. Key personnel.
2. Team overview.
3. Organizational chart.

- **Products and/or services:**

1. Value proposition, including the problem your product is solving for customers or the needs your product provides.
2. Key differentiators.
3. Sales trends and profitability (years, seasonality, share of major brands).
4. Pricing overview.

5. Branding.
6. Growth opportunities.
7. Target market

• Since **Market Research and Analysis** is not part of your Marketing Plan you need to incorporate the same. Gaining information about your target market and key factors that influence customers' buying decisions. Market research includes:

1. Identifying and testing potential target markets.
2. Determining ideal customer profile and demographics for your products.
3. Determining market influences on timing, pricing, service, etc.
4. Gauging economy and buyer confidence.
5. Conducting competitive analysis.
6. Measuring customer satisfaction and benchmarking satisfaction against competitors.
7. Capturing key criteria for your SWOT analysis. Analyzing your strengths, weaknesses, opportunities, and threats (SWOT analysis) is simple, yet powerful, and will help you develop your goals and marketing strategies.
 1. **Strengths (Internal):** Positive attributes, tangible, and intangible, internal to your business that are within your control. What do you do well? What advantages do you have over your competition?
 2. **Weaknesses (Internal):** Factors within your control that detract from your ability to obtain or maintain a competitive edge, such as lack of expertise, limited resources, inferior service offerings, or the poor business location.
 3. **Opportunities (External):** Reasons your business exists and prospers and reflect the potential you can realize through implementing your marketing strategies.
 4. **Threats (External):** Factors beyond your control that could place business at risk and may lead to deteriorating revenues or profits, such as competition, price increases by suppliers, economic downturns, or a shift in consumer behavior.

• It is essential to have **Pricing Analysis** as part of your Marketing Plan. Pricing Analysis includes determining the price you want for your product or service. It can be challenging if you do not have some historical price and demand data. Ways to determine your price include:

1. What is your cost of doing business?
2. What is the cost to manufacture your product?
3. What is your break-even point?
4. What amount do you need to charge to be profitable?
5. What amount are customers willing to pay?
6. What are competitors charging?

• **Customer Profiling** is an integral part of Marketing Plan. Defining your ideal customer should not be an arduous process. You do not need to serve everyone, but your customers' needs should be well-defined.

1. What is your current customer base (age, gender, income and geographic location)?

2. What habits do your customers and prospects share? Where do they shop, what do they read, watch, or listen to?
3. Which prospects are you currently not reaching? How can you reach them?
4. What qualities do your customers value most about your product or service? Do they value selection, convenience, service, reliability, availability, or affordability?
5. What qualities do prospects want you to change about your product or service? What are the advantages and consequences for modifying your product?

● **Analyzing about your competitors** is an especially important aspect of your Marketing Plan. It is not difficult to identify your competitors. However, it may be challenging to compile complete data. You may be successful by:

1. Visiting their location (if possible).
2. Browsing their website.
3. Talking to their customers.

● **Competitive Analysis** should include:

1. Who are your major competitors and what are their products, pricing, and strengths and weaknesses?
2. How much do they spend on brand positioning, advertising, and promotional sales? How else do they reach customers?
3. Do they have new or improved products?
4. Have they entered new markets or territories?
5. What benefits or value do competitor products offer their customers?
6. How do your products differ from competitors?

● **Marketing Goals and Objectives** are an integral part of any Marketing Plan.

1. The terms “goals” and “objectives” are typically used interchangeable, but there is a distinct difference:
 1. **Goals:** Statements that provide marketing direction and are in-line with the company’s overall direction. If goals are too broad, they may be less effective.
 2. **Objectives:** Specific and measurable actions or methods of achieving the company’s goals. These are usually described in quantitative terms:
 1. Sales dollars, units sold, market share, etc.
2. Use “SMART” to develop well-defined goals and measurable objectives
 1. **Specific:** Well-defined, actionable goals.
 2. **Measurable:** Turns a goal into an objective with measurable results.
 3. **Attainable:** Set goals that are within reach.
 4. **Relevant:** Consider current market/economic conditions when developing goals.
 5. **Time-Based:** Set a timeframe for achieving your goals.

● **Marketing Strategies** show how effective your Marketing Plan is.

1. Once you've defined your marketing goals and objectives, you need to develop a marketing strategy or idea on how you put your goal into action to achieve profitable success. A basic example includes:
 1. **Goal:** Gain 10% more customers within the next 12 months.
 2. **Strategy:** Change the color of your product's packaging to make it more appealing and entice customers to choose it.
 2. Marketing strategies are concerned with four Ps: Product, Pricing, Promotion, and Placement.
 1. **Product:** What is the right product or product improvement?
 2. **Pricing:** What is your price? Is it in line with current economic conditions and/or competitors? Does it support your product positioning?
 3. **Promotional:** How can we gain more publicity or increase awareness?
 4. **Placement:** Are we targeting the right customer base at the right locations?
- **Marketing Budget** is necessary to ensure sufficient funds are available as required.
1. Small and mid-sized businesses often arbitrarily set marketing budgets as either "x" percent of revenue or "y" percent over the prior year's budget.
 2. The SMART goals you developed will help you create a targeted budget.
 3. Each marketing line item you plan to use should have a budget.
 4. Your budget should be defined, but flexible. If a particular strategy is extremely successful, temporarily increase the budget. Temporary success may be seasonal and may not warrant an extensive or long-term increase.
 5. If a particular strategy is not successful, consider documenting your findings in an appendix for lessons learned. Refer to this information when you update your marketing plan and budget in the future.
 6. Your income and expenses should be calculated to help determine how much you can spend on marketing.
 7. Research costs associated with your strategies, e.g., printing, postage, etc.
 8. Tie sales/revenue forecasting with your marketing budget to increase your chances of success by:
 1. Calculating the amount or number of goods you need to sell in a fiscal year in order to be profitable.
 2. Creating marketing goals and strategies that will enable you to reach your sales/revenue forecasts.
 3. Defining the budget for these marketing goals and strategies. If there is not enough money left to implement these strategies, it may be an indication that your revenue forecast is set too high, or your marketing budget is set too low.
 4. Developing measurable results (SMART) for marketing activities will help you understand what is working and what may need to be modified
 9. Determine marketing line items by answering these questions:
 1. What previous marketing methods have been most effective?
 2. What are your costs compared to sales?
 3. What is your cost per customer?
 4. What marketing methods will you use to attract new customers?
 5. What percentage of profits can you allocate to your marketing campaign?
 6. What marketing tools (i.e. - newspapers, magazines, Internet, social media, direct mail, telemarketing, event sponsorships) can you implement within your budget?
 7. What methods are you using to test your marketing ideas?
 8. What methods are you using to measure results of your marketing campaign?

● **Performance Measurement** is an integral Part of your marketing plan.

1. Measuring your marketing efforts will help you determine which strategies are working and which are not. Creating detailed metrics will help you understand, control, and improve your business success.
2. Measuring some aspects of your marketing activities will be challenging. For instance, measuring the success of a brochure may not be possible unless it was part of a larger campaign.
3. Common ways in which marketing efforts are measured include:
 1. **Sales:** How many products did you sale? How many proposals did you submit and how many did you win? What were your projected and actual sales?
 2. **Return on Investment:** How much profit did you receive after deducting expenses?
 3. **Web Site:** How many people clicked on your web page? Did more click on your web site after you placed a magazine ad? How many requested additional information? How many became leads? How many became new customers
 4. **Customer Satisfaction:** Are your customers satisfied with your products? Do they have brand loyalty? Are they repeat customers?
 5. **Phone Calls or Presentations:** How many did you make in a week, month, quarter, and year? How many did it take to lead to a customer?

● **Marketing methods** are the key drivers of any Marketing Plan. Part of the challenge of marketing is determining which distribution method and placement strategy to use for your business.

1. **Retail:** Stores selling directly to customer.
2. **Wholesale:** Selling to a distributor that sells to retail stores or the customer
3. **Direct or Print Mail:** Catalog merchants that sell directly to customer.
4. **Telemarketing:** Merchants sell directly to customers at retail via phones.
5. **Internet Marketing:** Merchants sell directly to buyers at retail prices, or business-to-business products and services at wholesale prices via the Internet. This also includes social media, such as Twitter, Facebook, LinkedIn, etc.
6. **Sales Force:** Salaried employees or independent commissioned representatives sell products directly to the customer.
7. **Advertising:** Internet ads, magazines, sponsorships.
8. **Networking:** This includes tradeshow, joining industry organizations, attending industry breakfasts/luncheons.

● Marketing Budget

It seems you have a budget created to support your marketing plan. This is excellent. It is really common for small and medium sized businesses to overlook this critical step. Unless you put financial resources behind your marketing plan you will get nothing other than inertia. A plan without a budget is like a firearm without a bullet you will hit nothing.

● Marketing Head

- When we asked you if the person responsible for marketing in your business is good enough to head up this important function, you answered Yes. We were conscious when we wrote this question that you may in fact be in charge of marketing as well as many of the other core functions in the business. Having a separate marketing resource will be determined by the size of your business and whether your business can afford to underwrite the cost. If you do not have a specialist marketing resource in your business, take a harder look at how the business is doing from a marketing perspective, bearing in mind that sales and marketing are two different types of activities. On the other hand, If your business has delegated responsibility to a marketing specialist, and you are satisfied with the output of this person as well as the return you are achieving on your marketing investment, then simply keep doing more of the same.

● Return On Investment

All marketing plans should deliver positive ROI. Since your marketing plan is delivering positive ROI, you should also ensure that the company is profitable.

● 4Ps of Marketing

It is very important to take all the 4Ps in your marketing strategies. Since you are already doing this, we are sure your marketing strategies are working well for you.

Sales | Points: 94

SALES



● Factors Impacting Sales

You mentioned that you understand the factors that impact sales. There are many factors that impact sales such as :

1. type and number of customers
 2. cost of supplies
 3. marketing
 4. other outside forces
- When we asked you to identify the sales strategies you employ, you selected company positioning. Company positioning indicates that you recognize the importance of your brand and where it stands in relation to other competitors in the market place.
 - When we asked you to identify the sales strategies you employ, you selected Product positioning as one of the strategies. Product positioning shows your understanding of how your product set compares with that of your competitors and whether your messaging indicates that you are selling a premium product or pursuing low-cost leadership.
 - When we asked you to identify the sales strategies you employ, you selected Price setting as one of the strategies. A pricing strategy is a model or method used to establish the best price for a product or service. It helps you choose prices to maximize profits and shareholder value while considering consumer and market demand.
 - When we asked you to identify the sales strategies you employ, you selected Choosing effective distribution channels as one of the strategies. Choosing effective distribution channels indicates your understanding that you cannot sell your products in every channel and therefore, you focus on choosing a small number of channels that offer you the best way to market and the maximum return.
 - When we asked you to identify the sales strategies you employ, you selected Adopting effective sales techniques as one of the strategies. The most effective sales techniques involve understanding your customers and solving a problem for them. The best way to do this involves empathic listening; mirroring what your customer is saying and delivering real value at a reasonable price.

- Since you are not using any of the strategies listed, I suggest you to carefully analyze all the options and identify which of the sales strategies would be most beneficial for your business. Once you have identified the strategy you need to implement the same. In case you find it difficult to identify, you can get in touch with any of our experts who can assist you in this.

Who Do Selling

You selected “two or more” out of "CEO", "Dedicated Sales Team" "Individual Sales Person" "Marketing People" as who do selling in your business. There is no right or wrong answer to this question. The real question is how effective is your sales effort? If your sales effort only requires a single individual to give you outstanding results, then that is fine. However, if you use everyone in your sales effort and still only get mediocre results, then your sales function needs remedial action to get it working properly. The simple message is to go with whatever works effectively for your business.

Effectiveness of Sales Staff

It is a positive sign that your sales staff is above average. However, you should not be satisfied by this and should always be on the look out for improvement opportunities so that the staff gets better day by day.

Business Pipeline

You mentioned that you have an effective system for identifying and managing your business pipeline. This is necessary as it gives the following benefits:

1. Forecast Sales Accurately
2. Recognize Aggregate Sales Velocity
3. Monitor a Team's Progress
4. Stimulate Resource Allocation
5. Nurture Leads

Turnover

You indicated that your sales turnover is growing. However, this should not make you complacent. You need to analyze your growth in light of industry growth rate, growth rates of companies similar in size and location. Further, you should strive for becoming the fastest growing company in your industry. In case you feel you can grow at faster rate but unable to do so, you can get in touch with us and we will help you to achieve exponential growth.

Sales Support

You mentioned that you have an adequate sales support. It is essential to have as it gives the following benefits:

1. makes it easier to find and attract your target customers
2. better manage customer relationship
3. improve your sales team performance

● Salary to Sales Staff

You mentioned that you pay as per industry norms. This is fine as long as you are able to do the following:

1. Attract top talent
2. Retain key employees
3. Reward long-serving employees
4. Reward good performance
5. Reduce theft of employees

You mentioned that there is a commission structure in place to reward sales staff. It is good as it:

1. Encourages employees to work harder
2. Helps manage payroll expenses

● Customer Acquisition Cost

You mentioned that you do not have an accurate understanding of cost of acquisition of a customer. It is essential that you price your products so that the lifetime value of profit from a customer consistently exceeds the cost of servicing him, plus the cost of acquiring the customer in the first place. **Customer acquisition cost (CAC)** is a common metric for determining how effective your customer acquisition activities are. It can be used to calculate the marketing cost per customer acquired over a period of time or for a particular marketing approach. This information can be used to assess the overall success of your acquisition operations. It can also assist in determining which techniques are yielding the best results. Dividing marketing costs by the number of consumers obtained is a typical method for calculating customer acquisition costs.

● Lifetime Value of Customer

You mentioned that you have an accurate understanding of cost of acquisition of a customer. It is essential that you price your products so that the lifetime value of profit from a customer consistently exceeds the cost of servicing him, plus the cost of acquiring the customer in the first place. Here's how to do it:

- To calculate Lifetime Value of a Customer, you need to take the gross margin you make from the customer over their lifetime, and subtract all direct support and operational expenses. Knowing CLV has the following benefits:

1. CLV allows you to measure the financial impact of marketing campaigns, initiatives, and other activities.

2. CLV can also change the way you think about marketing in terms of creating loyalty objectives or focusing spend on underutilized areas.
3. CLV will help you find balance in terms of short-term and long-term marketing goals and demonstrate a better understanding of financial return on your investments.
4. CLV encourages better decision making by teaching marketers to spend less time acquiring customers with lower value.

● Revenue Per Employee

You mentioned that you have a clear understanding of how much revenue each employee generates. This is a useful metric to have. Compare this with employee cost to reveal if each employee is making a positive financial contribution to your business or if some are just extra baggage that you may need to shed.

● Costing

You mentioned that you do factor in the time and cost of granting credit and collecting receivables when quoting a price. This should be coupled with the analysis of lifetime value of a customer versus the cost of acquiring a customer.

● Effectiveness of Sales Staff

You mentioned that the quality and consistency of your sales process is above average. This assumes that you have seen other sales processes and that the one used in your current business is superior. If this is the case, that's awesome.

● Referrals from Existing Customers

You mentioned that you are happy with your record of obtaining regular new referrals from existing customers. Great. It is a lot easier to turn a referral into a new customer than to go out and find a new one that knows nothing about you or your business. Referrals by their nature are already open to doing business with you so you do not need to employ hard sell tactics. An important word here is "regular". Getting a onetime referral from a customer can be useful. However, getting a stream of regular referrals from existing customers can be transformative for your business.

● Digital Presence

You mentioned that you have an active and engaging digital presence. Being online can help attract new customers for your business. It can also increase how many customers you can reach, improve your customer communication and build customer loyalty. Before you start using any of these online channels, review the different options and see which is the best fit for your business. An active digital presence may include:

1. Websites
2. Social Media
3. Payment or booking platforms
4. Email Marketing

Customer Service | Points: 72



● Rating of Customer Service

Since you rate your customer service as excellent, you should continue at the same level and make sure that your yardstick of measurement of customer service is accurate

● Rating of Customer Service

Since your customers rate your service as excellent, you should try to leverage this to boost your sales.

● Focus Area

It is good to know that customer service is one of your focus areas. No company can grow without customers and hence it is imperative that every company focuses on Customer Service.

● Scope of Improvement

Since you are aware that your customer service could be improved, it is imperative that immediate action is taken so that you start seeing the results.

● How to Improve

You mentioned that “Understand Customer Needs” is one of the ways to improve customer service. The more you get to know your customers, the more you are likely to understand customer needs and expectations. Hence, give some thought to:

1. What we currently know about each of our customers.
2. How helpful is this information? What more information can be helpful for us to know enable us better match their needs to our products and services?
3. Who else has insights about our customers that could help us? For example, there may be long serving team members who have highly established customer relationships that can shed more insights.
4. Where do we store this information? Also consider how safe and compliant this storage of information is.
5. What tools do we have access to that can help us capture important customer information like CRM.

Responsibility for Customer Care

Since you already have a person taking full responsibility for customer care is a good sign. Also ensure that he has the requisite power to implement policies and procedures to improve the same.

Pricing Strategy | Points: 77



● Industry Comparison

Since your net margins are better than industry average you are in a good position. However, this should not make you complacent. You need to continuously be on the lookout for ways to further improve your net margins.

● Adequate Profits

Since you are running a profitable business with good margins it enables you to meet your working capital needs. You can afford to have a favourable debt structure.

• Though you are following the following pricing strategies:

Competition-Based Pricing
Cost-Plus Pricing
Dynamic Pricing
Freemium Pricing
High-Low Pricing
Hourly Pricing
Skimming Pricing
Penetration Pricing
Premium Pricing
Project-Based Pricing Strategy

• You can explore other pricing strategies as well if you feel it will be of benefit. The other pricing strategies are:

Value-Based Pricing Strategy
Bundle Pricing Strategy
Psychological Pricing Strategy
Geographic Pricing Strategy

● Sensitivity of Customer Base Price

- You mentioned that your customer base is significantly above average price sensitive. This leaves you with very little room to manoeuvre in your pricing decisions. Even small increases in price may result in your customers transferring their purchasing decisions to your competitors. However, a small decrease in your prices may result in disproportionate increase in sales. Your decisions here will ultimately be dictated by the anticipated pricing response of your competitors to any pricing plays you make.

Transaction Wise Profit

It is good that you are making profit on every transaction.

Understanding your customers | Points: 100



Key Customer Groups

You mentioned that you understand your key customer groups. This implies you know who uses your products and services? To identify your customers, think about their:

1. Demographics (e.g. age, income, occupation)
2. Location
3. Attitudes or interests

When you know who your customers are, you can make informed decisions on your business, product and marketing strategies. It also helps you to plan for growth and expansion in your business, and when you are developing new goods and services that appeal to other markets.

Customer Needs

You mentioned that you are well aware of your customer's needs. Your customers have different needs, wants and motivations to use your business. For example, they may use your product or service differently, or want to connect with you in different ways.

1. Do you consider all the needs of all your customers when you design your products and services?
2. It is important that you know the needs and wants of your customers so that you can make sure your products and services are tailored to what they are looking for.
3. Customers that are very satisfied will return and are more likely to remain loyal to your business.

Since you are meeting needs of your customers currently, it does not mean that you can rest on your laurels. Since customer's needs are dynamic you should have a constant focus on these changing needs and ensure you satisfy his needs. This is imperative for a long term sustainable growth.

You mentioned that you have a strong reputation and loyal customer base. To make your business profitable, you need to build a loyal customer base and a strong reputation. A strong reputation creates loyal customers. You can create loyal customers by offering great value, and providing positive customer service, experiences and interactions.

1. Loyal customers are also more likely to give referrals, by word of mouth or posting online reviews (e.g. on social media).

2. A sign that you have loyal customers is when those same customers keep returning to your business.
3. By understanding how to improve your reputation, you can then grow your business with your sustainable customer base.

Target Markets

You mentioned that you have a target market for your products or services. Do you sell your products or services to several targeted groups of customers? Or do you rely heavily on selling to a small number of customers or customer groups? 'Everyone' is not your target market. Your business will communicate better by targeting specific customer groups. You can then promote specific products or services to each group. By promoting what your target markets want and need, you will gain more loyal customers.

Credit Control | Points: 77



Factors Considered for Giving Credit

- You have selected very few of the considerations before giving credit to customers. This means that you are overlooking the importance of doing your homework before offering credit to a customer. This is a risk mitigation strategy that will pay dividends if you simply take the time to assess the credit risk associated with each customer before granting credit.

Accounts Receivable Days

You have indicated that your average accounts receivable days is Current Month. This indicates that your business is probably a retail outlet which receives a lot of cash payments or else you run an extremely efficient credit control system with customers receiving a minimum of credit on purchases.

Trend in Accounts Receivable Days

You mentioned that the accounts receivable days are constant. This in itself will not give any indication. You should further look at whether all the receivables are getting collected within the due date. This will give you a better indication of the quality of receivables.

Credit Control System

You mentioned that you have a well defined credit control system. You need to validate your system so that you get the following benefits:

1. Smooth Administration
2. Improved Cash Flow
3. Reduced Bad debts
4. Help in repeat business
5. Peace of mind

Escalation Process

You mentioned that there is a provision for escalation with problem accounts in your credit control system. This is absolutely essential as business involves dealing with different kind of customers. In case few customers do not make timely payment, it should be escalated to the next level in a timely manner so that the collection can be expedited.

Credit Limits

You mentioned that you set credit limits for your customers. The credit limit should be set for all the customers based on the following:

1. Reputation of the business owner
2. Capacity of the business to repay from its ongoing income,
3. Conditions in the market beyond the business
4. Profitability of the business
5. Credit report from rating agency
6. Bank reference
7. Trade references

Many companies set up credit limits for customers but do not adhere to it fearing that either the sales will fall or they may lose out on a customer. It is a good sign that you are enforcing the credit limits.

Bad Debts %

You stated that your average annual bad debt level is 1-3%. There is no magic percentage that represents an acceptable level of bad debts. The question you need to ask yourself is how many profitable sales to other customers did you have to give away for free to cover this level of bad debts?

Late Paying Customers

You mentioned that you frequently face issues of not receiving payment on time. You can quickly chase any overdue accounts if you create systems to identify who owes you money each month. You might need to work more closely with some customers to agree on and manage new payment terms. It can be a matter of judgment between getting your money while you can, and helping a struggling customer who may turn into a valuable and major customer during the next upswing. If your debt collection tactics are firm but fair, your customers will respect that. You can take the following actions:

1. Whenever possible, get a Purchase Order number. It removes any doubt as to whether the customer wanted to be invoiced or not. Make sure you reference it on the invoice.
2. Consider implementing an 'Interest on late payment' policy. Make sure that your terms and conditions, and invoice, clearly state that you intend to charge interest on late payments.
3. Check all customers have completed credit applications and signed agreement to your credit terms.
4. Every month, monitor the average time it takes you to collect debts and try to reduce the time it takes. Offer staff incentives if the time reduces.

5. Set aside time each month to chase debts. Phone debtors, rather than emailing them. Chasing outstanding debts is unpleasant but the longer you leave it, the less chance you have of recovering them.
6. Set targets to reduce the time to payment. Identify any problem customers who are slipping in their payment times and contact them.
7. Ask colleagues to recommend a debt collection agency and check the fees involved.

Product / Service Offering | Points: 67

PRODUCT / SERVICE OFFERING



● Completeness of Offering

When we asked you how complete is your product offering, you answered “Only certain product variations stocked”. There is in fact no “right answer” to this question. The more important question is how is this strategy working for your business? If it is working well and you have good inventory-turn and profitability then you are obviously employing the right strategy for your business. If you are regularly left with moderate to large amounts of slow selling items then your product strategy is clearly not effective. If you consistently have large quantities of obsolete stock then your product strategy needs to be changed rapidly. The lesson to be learned here is that your product strategy needs to keep changing until you get the formula right.

● Effectiveness of Product Strategy

Since you are having rapid inventory turns in your business, it implies that your investment in inventory is at optimal level which is a great thing to have. This means that you have mastered one of the top skills in business.

● Risk of Substitution

Since your products are at a risk of getting substituted, it is imperative that you either price them well or look at creating your own niche which cannot be easily substituted.

● Factors of Competition

Since you are competing on price and quality, you need to have a constant eye on the price being offered as well as the quality standards of your competitors. Further, you should try to rivet your attention on how to move from price and quality to only quality as that will enable you to get higher margins.

● Scope for Additional Products

Since there are other products you could sell, make a list of all the products that you can sell. Once you have prepared the list, prioritise the products based on factors like potential, margins, easy to penetrate, volume and then start introducing it in your product basket gradually.

● Market Power

You mentioned that group of customers have the market power. If you have several competitors that have collective market power, so long as they do not operate in concert, then their market power becomes somewhat diluted. This gives your business more options in terms of product selection and pricing.

● Product Life Cycle

Since your product have life cycles it is essential for you to know the exact stage in the life cycle of your product. This will help you understand where exactly you stand and can also see where you are headed. You need to analyse your performance basis the stage of your product in the life cycle.

You mentioned that your product is in Maturity stage. When sales begin to level off from rapid growth, you're entering the maturity stage. You may have to reduce prices to stay competitive. Now, your marketing campaigns focus on differentiation instead of awareness, pointing out your superior product features. During this stage, production costs decline and sales are steady. It's tempting to sit back and enjoy the steady sales, but you must make ongoing improvements to your product and let consumers know that it's continuing to get better. At this point, market saturation can occur. Competitors have begun taking a portion of the market. Although many consumers are using the product, there are too many competitors. The only way out of this dilemma is to focus on your strengths, differentiation, features, brand awareness, price, and customer service to become the brand of choice. If not, you will enter decline stage.

Purchase | Points: 100



● Purchase Process

You mentioned that you have the entire purchase process documented. The purchasing process is important because it gives businesses a structured way to address their needs. It also allows for more informed financial planning. An effective purchasing process can help prevent theft, fraud or irregular spending since it requires documenting all business transactions.

● Vendor Management

You mentioned that you have a process of vendor management in your company. By having proper vendor management in place, an organization can experience the following benefits:

1. Better Selection
2. Better Contract Management
3. Better Performance Management
4. Better Vendor Relationship
5. Better Value

● Onboarding Vendor

You mentioned that you do a background check before onboarding a major supplier. This helps in knowing the following:

1. Market reputation
2. Civil and criminal cases
3. Regulatory violation
4. Financial stability
5. Customer reviews

● Credit Terms

You mentioned that you pre-fix the credit terms with your vendors. This gives the following advantages:

1. You can pay the vendor after you have sold the goods if you are in a short-term, financially unstable period
2. You can keep up with trends in your industry through conversation because you can be sure your vendors will be in touch on a regular basis if you owe them money.
3. Percentage discounts as a reward for paying in short time period can help keep your business costs down

Inventory Management System

Since you mentioned you have an efficient inventory management system, we are assuming you are getting the following benefits from it:

1. Increased Sales
2. Shorter Lead Times
3. Improved Delivery Performance
4. Lower Costs
5. Accurate Planning
6. Increased Employee Efficiency
7. Decreased Stock-Outs
8. Increased Customer Loyalty
9. Increased Inventory Turnover

Ordering and Carrying Costs

Since you know the ordering and carrying costs, we are assuming that your product costing would be fine. Ordering Costs is the cost of ordering or purchasing and receiving the inventory. It includes procurement and logistics costs. Some examples of ordering costs are the cost of readying purchase orders, cost and time that a company spends on finding suppliers, inspection cost, cost of transportation, and more. Carrying costs includes the storage and maintenance costs for the inventory. The costs could be of in-house facilities or external warehouses for which the company has to pay rent. In both cases, the carrying cost would include using premises, hardware equipment, IT Software applications, Material Handling Equipment, and human resources.

Lead Time

It is very important to know how long does it take to receive orders as it helps:

1. To identify inefficiencies
2. Shortening lead times can help businesses boost productivity and restructure operations
3. A quick turnaround helps to boost customer satisfaction.
4. A quick turnaround also saves financial costs in terms of the blockage of lesser working capital.

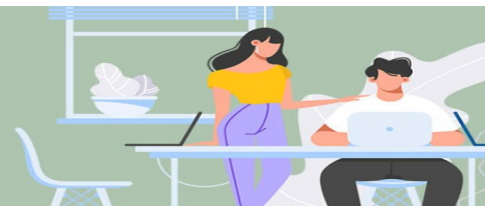
Stock-Out

Stock out is a situation which is most feared by any company as it has far reaching consequences. It may result in:

1. Loss of order
2. Loss of customer forever
3. Loss of reputation
4. Company should have a very efficient system of managing inventory so that it does not have to face stock outs.

Human Resources | Points: 94

HUMAN RESOURCES



● Flow of Communication

Communication is the key to success for all types and sizes of companies. You have good communication flowing across company and have already mastered one of the keys to success. The same needs to be continued for the long-term success.

Open and forthright communication is a pre-requisite for the success of the Company. Requisite steps should be taken to encourage everyone to freely express their views keeping in mind the status of the person being communicated and with due respect.

● Team Work

It is learnt that your employees help each other to be more productive and successful. The comradery within the team is a positive sign for your business.

It is imperative for any company to have a well bonded team to achieve growth. Since your team works well together, you are bound to grow provided you are able to fix other areas of weakness which would be highlighted in this report.

To have staff who are team players is one of the greatest asset for any company.

● Gaps in Experience Profiles

If you do not have the right skills and experience in your management team, then you are assuming unnecessary business risk. Once you know where deficiencies exist, you should be moving swiftly to plug the gaps. As businesses evolve, different skills are needed and it is important that existing managers obtain appropriate training or new hires are brought on board to address new business challenges or any emerging gaps. If affordability is an issue for you, you then need to consider the cost of not filling the gap. This will often be much higher in the long run. If it is a key area, then prune your budget elsewhere in your organisation in order to fund it.

It is clear that you already know that there are unfilled positions within the company, steps should be taken to fill them at the earliest.

It seems that your current staff is well equipped to perform their jobs well, which is a good sign for the company. Right man for the right job enhances the employee morale and motivation.

Staff Commitment

Committed staff is one of the greatest assets a company can have. Your team seems to be committed, you should look at the other gaps identified in this report and take appropriate action for you to achieve exponential growth.

Issues with Management

It seems you are already aware of the issues pertaining to your staff, appropriate action should be taken to resolve them at the earliest.

Responsibility and Accountability

It is very important that your staff is held accountable for the work that is assigned to them. Only through this they will perform well.

It seems you have staff with whom you are not completely satisfied. We hope you have communicated your expectations to them and also tried to reduce this gap.

Appraisal System

It is very critical to have an objective performance appraisal system in place which can identify the top performers, average performers as well as the non performers. It seems you already have a formal performance appraisal in place, you only need to ensure that it is always in line with company goals and objectives.

It is very important to set goals for the staff which are mutually agreed upon. This makes the staff feel that they have a say in the company.

For any system to be successful it is critical to ensure that periodic reviews also take place.

Compliance with Labour Laws

It is very important for any company to be fully compliant with all employment laws. It seems the company is not totally compliant with employment laws. We suggest you hire a consultant and identify the non-compliances and take appropriate action to make the company fully compliant. This would help avoid unnecessary legal complications.

HR System

Since your HR systems and procedures are well documented it is imperative to have a periodic audit done to ensure that those systems and procedures are completely implemented across the company.

It is good that all the work is documented. This will save a lot of time in handover as well as takeover by the new employee. The only thing that needs to be done is that you need to regularly review the documentation to ensure that the working is happening based on that.

It is very important to have an organisation chart in which the roles and responsibilities are clearly defined. Further, it is necessary to give requisite power commensurate with the responsibilities given to get the optimum performance from each employee towards the company goal

It is good that you already have a structured process for conducting interviews. You should also conduct a Profiling Test like DISC before conducting interviews. It will help you in finding the best person for the job. In case you want to understand more about DISC and how it can help you, you can get in touch with us.

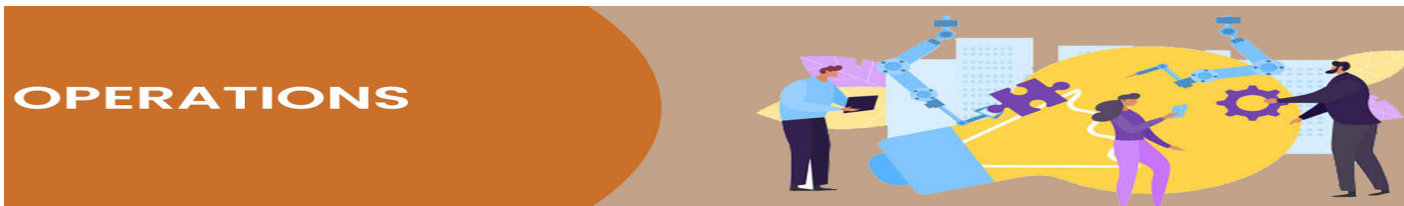
You mentioned that you do a profile test done like DISC assessment before hiring. This is a good practice as it helps in hiring the person with the right traits for the job. In case you want to know more about the DISC Test, you can get in touch with us.

Training

The quality of training, coaching and mentoring you provide seems to be adequate. You can keep devising different and innovative ways to continue the same.

Your mix of reward, training and reputation allows you to hire the best people. This is in line with best business practice, and it is likely that you are reaping the benefits of having everyone operating consistently at the top of their game.

Operations | Points: 90



● Streamlined Operations

According to you, your business is somewhat haphazard. There seems to be an attitude of “it will do” in your business. In an increasingly competitive market, mediocre operations can quickly lose customers for a business. Excellent customer service has become the norm and sub-par performance in operations may have far reaching implications for the business. You need to re-examine your operations to see what exactly is causing the problems. If it is people issues, you need to measure performance and reward the right behaviours. If it is system related issues, you need to consider upgrading your systems. If it is process and procedural issues, then you need to devise better processes and procedures. We asked you several questions about the effectiveness of your operations and the commitment of your business to delivering excellent customer service and value to your customers. Your answers resulted in a medium score in this area. You should consider reviewing the 3 pillars of your operations-people, process and systems so that you may identify specific areas requiring immediate improvement, medium term improvement and long term improvement. Any investment made in this area will pay large dividends in terms of customer acquisition and retention and ultimately better bottom line profitability. Even though you may have a decent operations team right now, it is important to remember that employees who are unmanageable, switched-off, rude, poorly trained or just bad-mannered, can destroy productivity in your business. This type of employee creates havoc and ruins your business reputation, particularly if they interact with customers. Avoid hiring someone like this as if they have the plague, and if you happen to have one in the building, quickly encourage them to go work for someone else.

● Quality of Administration

You mentioned that you are satisfied with the quality and effectiveness of your administration. You should nevertheless regularly review the 3 pillars of your operations: people, process, and systems so that you may retain a focus on continuous improvement and retain the competitive advantage that comes from continuously satisfying your customers.

● Key Systems and Processes

You mentioned that you are aware of the key systems and processes required to manage your business on a day to day basis. This may include:

1. Financial management
2. Human resource management

3. Risk management
4. Marketing
5. Operational management
6. Supply chain management (Domestic and International)
7. Quality assurance programs

● Suitable Business Premises

You mentioned that your office location is suitable and in a convenient location for both your current and future needs. This implies that your space is functional, cost effective, accessible for your customers and suppliers and suitable for your current and future business needs.

● Customer Service

You mentioned that your operation is focused on delivering excellent customer service. This should give you the following benefits:

1. It retains the customer
2. Gets more references
3. Increases profitability
4. Gives you and your employees confidence
5. Competitive advantage

● Work Flow Charts

You mentioned that you have process charts for all the critical processes. This is in keeping with best business practice. Process or workflow charts are visual in nature and they are easy for most people to follow. They have the advantage of showing an entire process on a single piece of paper where all the key actions, decision points, dependencies and persons are easy to see and follow. They also quickly show redundancies when they exist and give rise to cutting inefficiencies out of the process provided that they are not long linear documents with lots of words, they are unambiguous and simple for employees to consult with just a glance, and then execute whatever process is required.

According to you between 11-20% of total time is spend on dealing with crisis or customer problems. This implies that the level of customer satisfaction is not very high and results in frequent instances of crisis situation. This would seem to be using up a lot of productive time that could be used elsewhere in your business. Operations should be striving for zero problems and continuously improving the customer experience. If you do not already have them, it would be beneficial to create a defined set of problem-solving guidelines to be used by your team when it encounters problems internally in your business or in relation to dealing with customer issues. This makes sure that employees are aware of the common problems you are trying to eradicate, and have a tool set that allows problems to be quickly addressed and resolved.

You mentioned that you consistently receive feedback from your customers about how your business is performing and how this compares to your competitors. This does not happen by accident. You have thought about this and you see the value that you get from taking the pulse of your customers. You have an inherent need to know about how your competitors are performing as well, and this allows you to leverage any slippage in their performance so that your business may benefit. This is in accordance with what the best companies are doing and it will serve you well.

Staff Meetings and Feedback

You mentioned that you regularly schedule staff meetings to align activities with company priorities and identify and solve business issues. This is a useful practice and mirrors what the best companies are doing. The further down you go inside a business, the more important it becomes to distill the key targets and imperatives from top management to those lower down the hierarchy. This keeps everyone aligned and focused on delivering a common set of objectives. It also allows people lower down the chain to significantly contribute to achieving higher level objectives as they assume responsibility for a part of the overall objectives. It also provides a forum for dealing with business issues and problems in a timely manner, before they get out of hand.

According to you, you have an effective process for your staff to offer suggestions and feedback so that your team is strengthened and customer service is enhanced. The key here is having a process. If you shape your team to listen and enquire about customer experience, then they have key information that is valuable to your business. It allows you to take quick decisions about customer service, that addresses any slippage, and enhances the customer experience.

Help Ticket

You mentioned that you have a well-defined help ticket system to resolve employee issues. This is very critical for the smooth functioning of any business as it gives the following benefits:

1. Assign Tickets to the Right Members in the Team
2. Avoid Duplicate Replies
3. Resolve Tickets Faster Within TAT
4. Measure Performance of solver

Financial Performance | Points: 76

FINANCIAL PERFORMANCE



- Key Measures

You should also use following

Net Profit

Performance against Budget

Cash Flow

Cash in Bank

This is just the basic that you should look at

● Cost Structure

You mentioned that you clearly understand the cost structure of your business. This implies that you have clarity regarding which costs are fixed in nature and which are variable. It's crucial that you understand the cost structure for your business so you can find ways to reduce your costs, increase your profits and keep your business running.

● Break-Even Point

You mentioned that you are aware of the break even point. The break-even point is the point where you have sold sufficient products or services to cover your costs during an accounting period. It's possible that a business could be churning over a lot of money, but still be making a loss. By understanding your break-even point and the level of sales needed to create profits, you can make better decisions around pricing (e.g. whether price reductions can be made or if price increases can be absorbed). Knowing your break-even point allows you to price your products and services or experiences to meet your business needs. The higher your business is above its break-even point can help show how strong the business is. It helps in the following:

1. Pricing
2. Simplify raising funds
3. Setting revenue targets
4. Reduce risk

Action to be taken

1. Work out your break-even point for each activity or product to see if you have made a profit or loss. This will help you identify any poorly performing products or services that are being carried by more profitable ones. You can then consider eliminating marginal activities and fine-tune your more

- profitable activities
2. Meet with your accountant or consultant to check and review your break-even calculations.
 3. Reduce your break-even point by lowering your overheads. Lowering your fixed costs will help you increase your profit margin. Go through all of your fixed costs one-by-one and see where you can make reductions.
 4. Can you increase your prices? Investigate if your pricing is right and then see where you can make any small adjustments.
 5. Calculate what you could afford to lose in business by raising your prices, and then decide if it is a viable option for you.
 6. Determine if you can source cheaper supplies or materials without impacting the product or service quality. Asking all your suppliers to re-quote could see a cost-saving which will also lower your break-even point.

● Sales Growth

You are doing good in terms of measuring sales growth percentage monthly. This helps in knowing in which direction the company is going and also help in assessing the actions required to achieve monthly sales growth.

● Gross Profit

You are doing good in terms of measuring GP percentage on a monthly basis. This helps in knowing the trend. If GP trend is showing a decreasing trend then it is a matter of concern which should be immediately addressed. On the contrary, if it is showing an increasing trend then an analysis should be done to find out the reason for higher GP. This will help in further growth of the company.

● Net Profit

You are doing good in terms of measuring NP percentage on a monthly basis. This helps in knowing the trend. If the NP percentage is decreasing then it is a matter of concern. A thorough analysis should be done to find out the causes and corrective action should be taken promptly. On the other hand, if the NP percentage is increasing then an analysis should be done to find out the reason and steps should be taken if possible, to further enhance it.

● Return on Investment

You are doing good in terms of measuring ROI percentage on a monthly basis. This helps in knowing the exact return that you are getting on your money. This will help you evaluate whether the business is generating enough returns or the money needs to be invested elsewhere to generate returns.

● Financial Ratios

Using financial ratios to measure your business performance is a must for any company. Doing comparative analysis on an ongoing basis is the very best way to spot anomalies that may not otherwise be apparent to you. Solely using hard numbers as your key measure is extremely limiting. It simply does not offer the level of insight you need into how your business is performing.

● Inventory

Since inventory days are increasing, it means that you are investing significantly in building up your inventory levels. There is a significant cost to doing this and you need to ensure that profit levels are adequate to cover this or that short-term lines of credit can be put in place to fund inventory growth.

Since you are having obsolete inventory, steps should be taken on an immediate basis to dispose off the obsolete inventory. Obsolete inventory increases cost of storage and blocking of working capital. It is better to dispose these at the earliest and ploy the working capital in faster moving inventory.

● Debtors

You mentioned that you have excessive exposure in debtors to any customer or small group of customers. This implies that company is subject to high risk in case this customer or this group of customers either reduce or completely stop working with the company. Steps should be taken to diversify and add more customers. This will help to mitigate risk.

You have mentioned that your accounts receivable days are stable. You should analyse in terms of other factors affecting the receivable days, whether the stability is good for company or you need to work towards decreasing the same.

Decreasing of bad debts is a good sign for the company. However, you should further analyse it in light of industry average. You should not become complacent by this and should continuously implement systems and strategies which will further help in reducing it.

● Creditors

You mentioned that there is large concentration in a small number of vendors. Steps should be taken to find out more vendors. This will help you in better pricing as well as help in smooth functioning in case there are some issues at vendor end.

Since there are no payables outstanding for longer than credit terms, is positive and indicates that the cash flow within the business is fundamentally sound.

You indicated that Accounts Payable Days are Increasing slightly. A modest increase here may simply be a function of your accounts payable function being busy. It could also be a reflection of some timing differences in relation to receivables.

Taxation Liabilities

Since tax liabilities are paid on time is a good sign

Contingent Liabilities

Since contingent liabilities are reflected in the accounts, it is a good sign.

Since there are legal claims outstanding that could have a significant impact in increasing your current liabilities, provision should be created for all legal claims outstanding so that the company is able to run smoothly even if these claims become payable.

Profitability trends

Since profit is trending upwards, is a very good sign. You can analyse the reasons and continue on the same path.

Cost Per Employee

You mentioned that you understand cost per employee. You obviously recognize the importance of knowing the total cost of each employee. This includes salary, benefits and allocated overheads. The next step is to use objective measures to identify how much each individual employee is generating for the business. This is not just about sales staff. There is an economic value and it's a measure of the contribution made by every employee regardless of their role. Unless you are getting a positive return on investment on each employee in value terms, you may need to re-evaluate if you have the right employees doing the right jobs.

Accounts Receivable and Payables Policies

You mentioned that you have an effective accounts payables (AP) and accounts receivables (AR) policies. To have effective well laid out AR and AP policies is a must for every business. The same should be written and approved by the appropriate authority.

Cash Conversion Cycle

This meets with best business practice. It is imperative that you seek to shorten the cash conversion cycle to its lowest possible value so that each rupee you invest in sales comes back to you in cash revenue as quickly as possible.

Business Model

You mentioned that you have considered changing your business model. You should ask yourself the following questions:

1. Why you wanted to change your existing business model
2. What result you were not getting from your existing model
3. Once you have answers to this, you can change your business model by:
 1. adding new services or products
 2. collaborating with other partners
 3. exploring new suppliers
 4. opening to new market

Financial Stability | Points: 70

FINANCIAL STABILITY

● Funds Availability

You mentioned that you have significant cash surplus in your business. In these challenging times it is a major achievement to have significant cash surpluses in a business and this augurs well for the future of your business.

● Bank Funding

You mentioned that you have access to bank finance. It is a good sign for any company that it has access to bank finance. This means the company has good credit rating, sufficient security to give to Bankers. Since the company can avail bank finance, it is not necessary that it takes funding from Bank. Such a decision would be dependant on multiple factors. In case you want to know more about when and how to take bank funding , you can get in touch with any of our experts.

Since the bank funding facility is fully utilised, the company should work on reducing such debt as also try and identify other sources through which it can raise funds if required.

● Overtrading

You mentioned that you do overtrading at times. Overtrading happens when a business is selling more goods that it can afford to fund from cash and receivables. It simply means that you are growing the business too fast. A lot of businesses do this from time to time but can only sustain it for short periods before cash shortfalls become an issue. You need to continue to be able to pay your suppliers when their invoices fall due for payment. If you tie up too much cash in inventory and receivables you will not be able to do this. The simple answer here is to consolidate your sales at a level that does not put undue pressure on the business's financial resources.

● Finance Providers

The financing is well spread amongst financiers. This is best business practice. Always ensure that you have several lines of credit from different financial institutions, even if you do not need the credit right away

● Owner's Funds

You mentioned that the owners are in a position to infuse funds if required from their personal resources. It is always comforting for the company to know that the owners have deep pockets and that they can look up to them in case some funds are required.

● **Excess Borrowings**

It is important to ensure you have enough working capital to keep your business operational until you are able to run at a profit. Once your business is profitable, you will need to manage your borrowings and loans carefully. It will usually be in your best interest to limit your drawings from the business and focus on reducing loans and debts. Start with those that carry the highest interest rate. The size and age of your creditors' book has important implications for your business cash flow and should be something you monitor regularly to avoid any nasty surprises. You can take the following actions:

1. See if you can re-finance any short-term debt into longer-term debt, which should reduce the amount of interest you are paying.
2. Take a long, hard look at all your products and services to see what is making the most profit, and then focus on driving these sales above all others.
3. Use surplus cash sparingly – see if you can lease, rent or borrow what you need in the short-term to preserve your cash.
4. Measure profit, not sales. Rather than chasing sales, concentrate on selling what generates the largest margin for your business.
5. Look at cutting your costs. If you are continually borrowing more money than your business can generate, then you have the balance wrong. If sales are falling, you **MUST** cut overheads so your business can survive. Review costs such as staff, offices, and company cars, plus any advertising you do not measure.
6. Review your own salary. Be careful of draining too much money out of your business in the form of personal drawings, particularly during the leaner cash flow months.
7. Communicate clearly to staff any changes in the way the business is going to be run.
8. Review your expenses policy. Sales people usually have the highest expenses so make sure they understand what the rules are.
9. Check staff expense claims in detail and be prepared to address staff who are ignoring your expenses policy.
10. Consider invoice financing. This ensures you get paid immediately and the burden of the chasing passes to a third party, such as your bank.

● **Credit Rating**

You mentioned that you are regularly getting credit rating done. Getting company rated by a reputed credit rating agency helps company to identify gaps so that corrective action can be taken. It also helps in raising funds.

● **Cash Reserves and Forward Orders**

You mentioned that you have enough cash reserves or forward orders to survive in the short term. To survive unforeseen emergencies, every business needs a cash reserve or secure and profitable forward orders that will

cover the operating costs of the business.

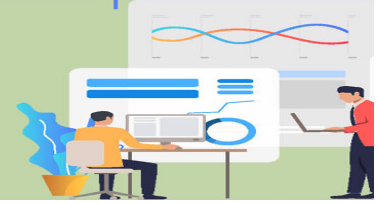
● **Unplanned Future Financial Issues**

Make sure you are aware of any impending issues that might throw out your financial planning, such as the need to replace equipment, update technology or increase overheads/resources. Double check that all loans and financial requirements can be met, customers on credit terms are closely monitored, sales forecasts are accurate, and your costs and margins are secure. It is important to know there is nothing coming up that could derail your business financially. The last thing you need is an unexpected expense. Few Action points in this regard are:

1. Find out if there are any financial speed bumps in the near future. These could be major, such as needing to repay a large loan you had thought the business could fund. Think about external factors such as currency fluctuations, the financial health of your major customers or markets, changes in legislation and changes to your market.
2. Check to see if you need to increase overheads or resources that will then throw out your financial planning. Expanding, taking on new staff, opening new outlets or developing new products or services all take time and soak up precious cash.
3. Plan for potential problems and manage them, rather than being at the mercy of events. Set out a 12 month timeline and plot everything you can think of that might be financially dangerous. Next to each event, outline what you can do to reduce the threat.
4. Check if you need to replace old equipment or update obsolete technology to maintain your competitiveness. Can you fund this replacement out of cash flow? Do you really need to update?
5. Investigate if you have a client who owes you a disproportionate amount of money. If they pay late, calculate how it will impact on your ability to pay your bills. It may be time to ring or visit them to make sure all is well.

Management Accounts | Points: 100

MANAGEMENT ACCOUNTS



Monthly Management Accounts

Preparing monthly management accounts is a good business practice. It gives the following benefits:

1. Helps to control costs
2. Can send to banks and other financiers
3. Can compare to budgets and forecasts
4. Helps with cash planning
5. Helps in monitoring working capital
6. Helps motivate and focus managers or staff that they are shared with.
7. Avoids big surprises at year end.
8. Helps to identify seasonal differences.

Preparation of monthly accounts within a week of month end is a good business practice as it allows you to quickly take corrective action should it become necessary when financial anomalies present themselves. The sooner that accounts become available after month end, the better.

Management Review

Prompt action by the management in reviewing the accounts is a good sign for any company. This shows that management is alert and is willing to take its decisions based on updated data.

Track Financial Ratios

You mentioned that you track financial ratios MOM as well as YOY. This helps the management to compare the results of business operations over different periods of time. Furthermore, such a statement helps in a detailed analysis of the changes in line-wise items of the income statement as well as balance sheet.

Budgets

You mentioned that you create budgets. This is in line with best management practice and it allows you to measure business performance against expectations on an ongoing basis.

Variance Analysis

Tracking performance with budgets is one of the purpose of creating budgets. Merits of doing this are:

1. The reasons for the overall variances can be easily found out for taking remedial action.
2. Highly useful for fixing responsibility of an individual or department or section for each variance separately.
3. Useful for Cost Control
4. Aids in profit planning
5. Creates cost consciousness in the mind of every employee

Cash Flow Forecast

Preparation of cash flow forecast is in line with best business practice. Businesses survive or fall based on their cash flow. Main benefits of cash flow forecast are:

1. Track your spending
2. Identify upcoming cash gaps
3. Identify cash surplus
4. Track late payers

Further, you can take the following actions:

1. Try increasing your sales across the board by 20% to see how much additional profit you would make. What can you do to achieve this 20% increase?
2. Use your cash flow forecast to plan the best times for larger purchases and when to save the cash you need for slower months or seasonality.
3. If you are planning to grow your business, use your cash flow forecast to see what would happen if sales doubled. Identify what other stress this might place on resources and how you can overcome these impacts.

In case you are facing any challenges or want to improve the quality of your forecast, you can get in touch with one of our experts.

You are doing a commendable job of not only preparing but reviewing the cash flow projections at regular intervals. This helps you to be in complete control of your cash flows and also improves the quality of your projections over a period of time.

IT Systems | Points: 100



● Effectiveness of Computer System

You mentioned that you are happy with your computer system and it helps you to run your business effectively. This should not make you complacent. In fact you should be aware of the latest technological developments impacting your business and should always be open to adapting if beneficial.

● Access to Network Drive

You mentioned that your entire staff has access to network drive or the shared drive. This is important as it provides the following benefits:

1. **File sharing** - you can easily share data between different users, or access it remotely if you keep it on other connected devices.
2. **Resource sharing** - using network-connected peripheral devices like printers, scanners and copiers, or sharing software between multiple users, saves money.
3. **Sharing a single internet connection** - it is cost-efficient and can help protect your systems if you properly secure the network.
4. **Increasing storage capacity** - you can access files and multimedia, such as images and music, which you store remotely on other machines or network-attached storage devices.

● Data Backup

With the constant evolution IT solutions, and particularly the growing popularity of “Cloud” computing, there can be no excuse for not having a backup solution for your computer records both on-site and off-site. You should review the nature of your backup protocols on a regular basis to ensure they meet the evolving needs of the business and offer you robust protection for all of your electronic data. It is no longer enough to have a single backup disk or tape that could be destroyed in a catastrophic event.

● IT Team

Since you have a team of people who can handle IT related issues, you are comfortably placed to run systems smoothly.

Management | Points: 100

MANAGEMENT



● Backgrounds

You mentioned that the management backgrounds are in line with business model. A business model is the foundation for your company and products. It captures the main idea of how your business will generate revenue. It is always good to have a management who have relevant experience and backgrounds which are in line with the business model.

Since the management background add value to the customers, are you highlighting this in all your marketing campaigns? If yes, then you are doing great. If no, then start highlighting this fact in all your marketing campaigns henceforth to take maximum benefit of this fact.

● Perception by Staff

Since your staff hold you in good faith and trust that you do what you commit is a great sign for any company. Continue doing so and it will reap benefits forever.

● Leadership Style

You mentioned that the leadership skills of the top management is very inspiring. Continue to be the role model.

● Team Alignment

The team is not completely aligned to the business goals. They are not comfortable discussing frankly with the management what they feel. Steps should be taken to ensure that there is a culture within the organisation where people have healthy discussions and participate in the formulation of business goals.

You mentioned that the Key Managers show respect for each other. This implies that the bonding within the team is good and company should continue to take steps for it remain to healthy. This will help in creating a healthy work culture within the company.

It is great that the management is keeping the staff completely aligned and giving them the power as well as holding them accountable for their actions. This way staff gets a sense of ownership.

Frequency of Meeting

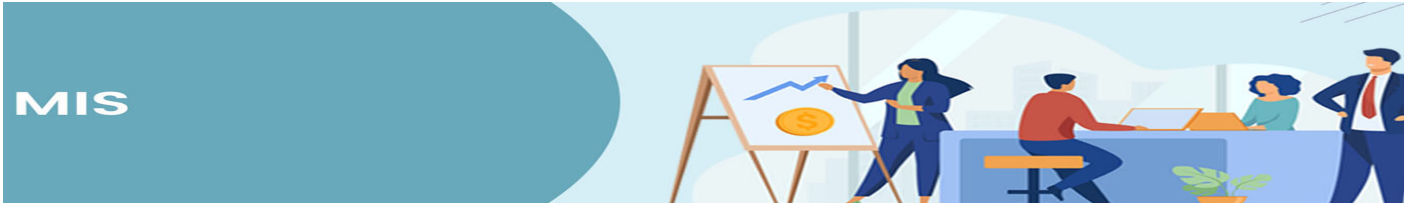
You mentioned that the senior management team meets daily. It is a good practice that the management is meeting on a daily basis and taking prompt corrective action where necessary.

You mentioned that the Management meets the staff on a weekly basis to discuss business issues. It is a good practice that the management is meeting the staff timely and taking prompt corrective action where necessary. This way the staff also feels motivated and always on their toes.

Leadership Team

It is great to have a team of natural leaders. This will eventually help you to outgrow your competition.

MIS | Points: 75



● MIS

You mentioned that MIS give you all the management information that you need. Data is the new gold and different types of MIS reports are what help you understand data and use it for your benefit. In order to make informed decisions its important to have access to the data in your company at the right time.

● KPIs

One of the most important purpose of MIS is to track and identify KPIs. Since you are already doing it, it's a job well done.

Types of reports

- You have not selected the following:

Budget Reports

Production Reports

Budgeted & Actual Profit Report

Machine Utilisation Report

In case the same is applicable to you then you should make necessary changes in your MIS so that you get these additional reports as well. This will aid you in your decision making process.

You mentioned that you wish to have the following other reports:

- All that they have mentioned

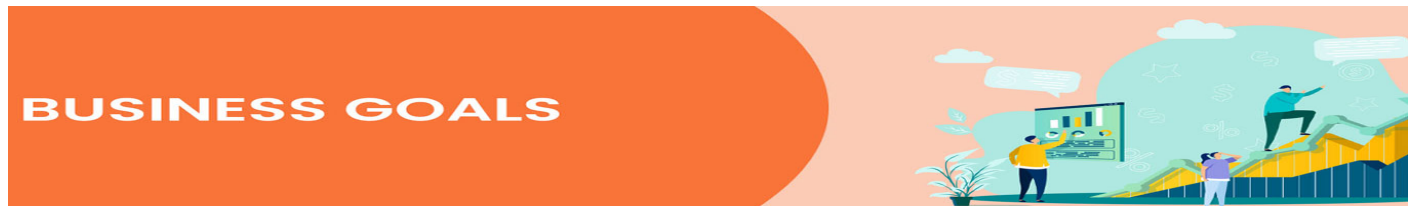
● Limitations of MIS

Since you mentioned that you often get frustrated with the limitations of MIS, you need to identify the cause for the same. Are you getting frustrated due to factors such as accuracy, timeliness, cost involved in generating reports etc. You need to analyse the causes and take remedial action as this plays an important role in your decision making process.

Usage

It is good that you are making frequent use of MIS as then only will it serve the desired purpose.

Business Goals | Points: 107



● Business Drivers

Return on Capital Employed is a key business driver for you. Your business has a strong focus on achieving a good financial return for the owners or shareholders of the business. Financial considerations are an important feature on your list of goal priorities.

Competition is one of the key drivers of your business. This implies that your market is extremely competitive and this drives down the prices achieved by all competitors in your market place. You are driven by the need to be aware of all competitor business strategies and to be in a position to respond to protect your market share or to ensure you match competitor pricing tactics.

Efficiency is one of the key business drivers for you. This implies that you see the significance of running your business in an efficient and effective way, maximising the return you can get out of your resources while eradicating waste.

Innovation is one of the key business drivers for you. This implies that you are driven by the need to be different from competitors and to be first to the market with new and different products and ideas.

Customer Satisfaction is one of the key business drivers for you. This implies that customers really are at the heart of your business and satisfying their needs is of paramount importance to you and your team as a whole.

Business Reputation is one of the key drivers in your business. Businesses can often survive or fall based on the quality of its reputation. You work extremely hard to maintain your good reputation in the market place and you see your business reputation as a competitive advantage.

Reducing Operational Costs is a key business driver. This implies that you are driven by the need to reduce costs further.

● Final Consolidated Accounts

You mentioned that your goals are clearly articulated. It is very important to have clearly articulated goals. Unless and until you have clear goals, it is very difficult to achieve it.

You mentioned that the team is in sync with the goals completely. It is of prime importance that the entire team is in complete agreement with all the business goals. Once this is achieved, everyone is motivated to work towards its fulfilment.

You mentioned that your business goals are written and shared with the entire team. It is very important to have written goals. Further the same should be shared with all the concerned employees. Studies show that people who write down their goals when – setting them, are - more likely to achieve the same. There is a brain-to-hand connection that comes into effect. Writing down your goals -plants the goal in your brain, and once it is there, it sticks.

● Specific

You mentioned that your goals are specific. Goals should be absolutely specific and clear. Goals should never be vague. Saying you “want to earn more” is too vague. Instead, pick a number for how much money you want to earn. Do you want to start making Rs.1000 cr per year or do you want to increase your business profits by 100%? Set a clear number to track your progress against. Having a specific goal is helpful in two ways: you can better visualize your outcome and you will know with clarity when you’ve achieved it.

● Measurable

It is especially important to have goals which are clearly measurable. If the goals are measurable then you can assign accountability as well. SMART goal setting involves tracking your progress. If your goal is not measurable, you cannot objectively say you have achieved it. In our example, the specific goal is already measurable: You can check the numbers as the year goes on to see if you have reached 100% growth in profits.

● Achievable

It is very important to have goals which are achievable. The goals should be such that it should involve a slight stretch to achieve them. The goals should not be too easy or too difficult to achieve. Setting an achievable goal means choosing an objective that, while it requires you to push yourself, is also attainable. If you pick a goal that you know is outrageous say you’re currently earning 5cr and want to earn 50cr next year you’re most likely going to come up short of your goal. When you create a goal that’s too lofty, it can seem impossible, and you may eventually give up.

● Realistic

It is very important to have goals which are realistic. Realistic goals are those that you are willing and able to work toward that can be achieved by improving your current habits. While setbacks can be a catalyst for change and re-energize you, if your goal is not realistic, you will find it difficult to get back on track.

Time Bound

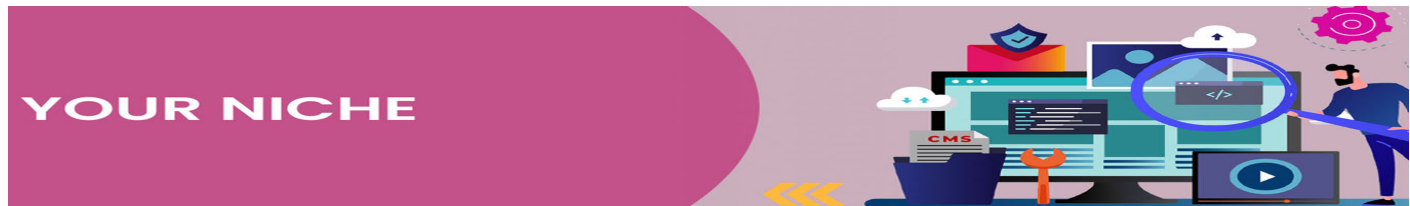
A proper time frame should be fixed for all the goals. Unless you have time bound goals, they will remain vague. Having a clear time frame is essential for checking your progress along the way to reaching your goal. If you do not reach your goal within the time, then it is time to reassess.

Core values, Vision and Mission

You mentioned that goals are in alignment with the core values, vision and mission of the management. It is very important that all the business goals should be in alignment with the core values, vision and mission of the company.

You mentioned that the core values of your business are clearly understood and embraced by the team. This is critically important if you want to harness the energies of all of your people and to have them all pull together in the same direction. Great companies are made up of A Players who understand the game plan and support each other in its execution. Shared core values are the glue that holds the business together and gives it the chance to become a great business.

Your Niche | Points: 74



● Uniqueness

You mentioned that your product or service is unique. You need to ensure that you are able to maintain your uniqueness and that your competition is not able to replicate it. This will help you stand out of the competition as well as command a higher margin.

● Key Differentiator

You mentioned that you compete on Price. If you compete on price there is always the risk that other competitors will try to do the same and there is the inherent risk that it could start a race to the bottom wherein none of the competitors, including you, can make a reasonable profit. This can be a dangerous strategy unless your business genuinely is the lowest cost producer/supplier.

You mentioned that your key differentiator is Product Range. If you offer a diverse range of products that is unmatched by competitors, then you clearly have a competitive advantage if there is sufficient demand for the product set. Lots of buyers appreciate the convenience of a one-stop-shop experience. If you can couple the diversity of your range with competitive pricing, then you will have a strong product offering.

You mentioned that your key differentiator is Location. Your business may have a competitive advantage simply because of its location. If your business is located in an accessible place that has a dense population of buyers that are interested in your product set, then this may be a key differentiator for your business that allows you to do better than the competition.

You mentioned that your key differentiator is Flexibility. Many businesses compete successfully based on their ability to create a bespoke solution for their client needs. They go the extra mile to deliver exactly what their customers need. This level of flexibility can create a loyal following of customers that know exactly what they want and will not settle for less.

You mentioned that your key differentiator is Reliability. Some products are known to be more reliable than others. That is, there is a less probability of them malfunctioning or failing within the given time period.

You mentioned that your key differentiator is Product Quality. If your product quality is superior to competitor offerings this can attract discerning buyers that allows you to build a strong customer base and superior profitability. The flip side of this is where the market is demanding generic products at low prices thus making it difficult for you to compete.

You mentioned that your key differentiator is Branding. Well known brands attract buyers while also allowing premium prices to be charged. This is an attractive business model and the reason why many strong franchises exist and continue to do well.

You mentioned that your key differentiator is Innovation. To be at the leading edge with product innovation can give some firms first mover advantage before the market catches up. It also generates superior margins for the innovative firms.

You mentioned that your key differentiator is Customer Service Level. High levels of customer service have become an accepted part of doing business in recent times. If the service level is poor, it can be enough to kill the business. Taking service provision to an even higher level can differentiate a business from its competitors and result in high levels of repeat business.

You mentioned that your key differentiator is Uniqueness. Uniqueness is similar to innovation wherein you have a product offering that is very different from all of the other competitors. There is danger of fast followers copying your products' uniqueness and you will have a limited time in which to make above average profits. Also, beware of small demand for specialist products that do not have sufficient market acceptance to allow your business to make money.

You mentioned that your key differentiator is Other. Most of the typical ways of differentiating your product set from that of competitors have been highlighted in this question. If you have something else that differentiates you from competitors, and which delivers competitive advantage to your business, exploit it for as long as you can. Eventually, you will have competitors that will copy your product ideas and try to win some of your market share.

To have key product differentiators is a good sign. But it is imperative that you review and measure those on periodic basis. This will help you understand whether they are still valid and the extent to which they are valid. Further, such analyses will also help you to understand the market dynamics and what steps are required to maintain the difference viz a viz the competition.

Reason for Buying

You mentioned that customer service is one of the reasons why people buy from you. By having knowledgeable and friendly employees that are quick to respond to the customer's needs and who follow up after the sale, a customer will reward the company with their loyalty, resulting in repeat business.

You mentioned that price is one of the reasons why people buy from you. Many customers choose price as their primary reason for buying from a specific business. Businesses that attract customers based on lower prices are sustainable only if they do a HUGE volume in sales. Most businesses that compete with lower prices are forced to continually lower their prices even further when another business has a lower price. In the small business world, many of the competition think they have to compete on price and based on their lack of business acumen, will often lower their prices below their break-even. When the price is the principal reason a prospect buys from you, the customer's loyalty is based purely on price and not the company. The customer has no loyalty to your brand or business and will buy from another company if they have a lower price.

You mentioned that long standing relationships is one of the reasons why people buy from you. This is one of the strongest bonds that can exist between seller and buyer. As a trusted supplier, this key strength automatically sees the buyer coming back to your business repeatedly, often without even checking competitor prices.

You mentioned that Product Quality is one of the reasons why people buy from you. If your product quality is better than the competition can offer, this gives you an extremely strong competitive advantage. If this is coupled with competitive pricing, your business will be difficult to beat.

You mentioned that Brand Recognition is one of the reasons why people buy from you. Many people will not buy products unless they have the label on the outside. If you have a market leading brand by virtue of being the manufacturer or a franchisee, this key strength will generate unmatched customer loyalty.

You mentioned that Convenient Location is one of the reasons why people buy from you. If your business is located near your customers and they would otherwise have to travel a distance to get a competing offering, then it is likely that you will get the sale every time so long as your pricing and product quality are good enough.

You mentioned that Cause is one of the reasons why people buy from you. When the business and the customer have the same values, such as being veteran-owned, having a history of giving back and community involvement or making it clear that part of the proceeds of a sale goes to a charitable cause, the customer often connects philosophically with the business. The result is that the customer will not only be a loyal customer but also a Social Agent for the business and help spread the word.

You mentioned that Trust is one of the reasons why people buy from you. The customer must know that you have a history of reliability and that you are not a risky bet that will come back to bite them later. They must know that you will not take advantage of them if it suits you.

You mentioned that Reputation is one of the reasons why people buy from you. Most buyers will check out the star rating of a business to determine its reputation. Savvy business owners invest in reputation management and monitor the internet with tools like Google Alerts to see what is being said about their business. Moreover, these savvy business owners do not ignore review sites either. Reputation is a big part of the buying decision, and as a business, you need to be viewed as credible and not as a business that makes claims that you are incredible.

You mentioned that you do not know why people buy from you. Well You need to find out if you want to continue to stay in business. It is not a big deal to start engaging with customers and enquiring about what influenced their purchase decision, where they may have heard about your business, or how you can make their buying experience even better in the future.

Similar Products from Others

Since your customers also buy similar products from your competitors, you should try to increase your wallet share by selling more to them. Further, you should also analyse the reason why they are not buying completely from you.

Challenges | Points: 97



● Business Challenges

Time Management can be overcome by:

1. Prioritization
2. Schedule your tasks and their deadlines
3. Goal setting
4. Organize your workspace
5. Start your tasks early
6. Never Procrastinate
7. Delegate tasks to others
8. Separate daily and weekly planning
9. Do not multitask
10. Automate your business
11. Use time tracking tools

Working IN instead of ON the business can be overcome by:

1. Systemizing the Business
2. Delegating of tasks
3. Establishing an efficient team
4. Documenting the processes

Challenges in communication can be overcome by:

1. Establishing baseline communication standards
2. Getting control of mobile communication
3. Actively listening
4. Understanding different communication styles
5. Scheduling weekly team meetings
6. Keeping communications simple

● Frequency of Addressing Challenges

It is good to know that the company is actively addressing the challenges promptly. It is imperative to address and take necessary action promptly for any challenge arising.

- **Person Addressing Challenges**

You mentioned that the challenges are not addressed by

Regular Staff

No Body

Depending on the nature of the challenge, it should be handled at an appropriate level. If the challenge is minor in nature, then the top management should not get involved. However, if the challenge is significant then the top management should be actively involved in overcoming the same.

- **Implementation of Solutions**

You mentioned that the solutions discussed and finalised to overcome the challenges are being implemented. It is very important to implement the solutions in order to overcome the challenges as then only will you be able to overcome all the challenges and obstacles.

- **Monitoring Mechanism**

You mentioned that you have a monitoring mechanism to monitor how effectively solutions to overcome challenges are being implemented. It is very important to have a real time monitoring mechanism to track implementation of the solutions.

Growth Potential | Points: 100



You mentioned that one of the current opportunities for growth is “more business with existing customers”. If your product quality is good and your pricing is right, then winning more business from existing customers is usually the easiest place to harvest opportunities.

You mentioned that one of the current opportunities for growth is through acquiring new customers. Unless your product set is unique or priced extremely competitively, it may be relatively difficult to convert opportunities into new business. Nevertheless, you cannot afford to simply rely on your existing customer base, particularly if there are competitors that can provide similar products at similar value and thereby steal your share of the customer’s purse.

You mentioned that one of the current opportunities for growth is by entering new markets. Entering new markets can be risky unless you have a sustainable competitive advantage that cannot be easily matched in your newly chosen markets. Watch out for substitutes or predatory pricing from competitors.

You mentioned that one of the current opportunities for growth is by selling new products. Selling new products to existing customers can be relatively easy, particularly if there is market demand for the products. Selling new products into new markets attracts a great deal of risk.

It is heartening to know that the opportunities are being pursued aggressively. The same should be continued and the result of persuasion should be monitored to evaluate that you are moving in the right direction or if any change is required

● Sales Pipeline

You mentioned that you have an active sales pipeline in your business. You should ensure that you are getting the following benefits out of it:

1. Shows the status and accounts of sales representatives
2. Shows the value and quantity of success in each stage of business dealings
3. Allows the company to forecast
4. The possible revenue
5. Gives you a clear report on the critical financial metrics in business
6. Allows you to score your leads
7. Offers better opportunities to assign the right leads to the right salespeople in the company

8. Helps increase the productivity of your sales team
9. Translates to higher revenue growth for the company.
10. Sales pipelines make it easier for you to schedule follow-ups

CRM

Since you are already using CRM, you should see whether you are getting the following benefits from your CRM:

1. Better customer service
2. Increased sales
3. Improved customer retention
4. Detailed analytics
5. Higher productivity and efficiency
6. Centralized database of information
7. Managed communications with prospective leads
8. Improved customer segmentation
9. Automated sales reports
10. More accurate sales forecasting
11. Streamlined internal communications

In case you are not getting these benefits you need to review your CRM and make necessary modifications/upgradations if required.

Risk Management | Points: 89

RISK MANAGEMENT



● Business Risks

It is good that you are aware of the top risks you are facing currently.

You have mentioned that Price fluctuation is one of the risks in your business. You can do the following to mitigate the risks:

1. Check your price discounts, rebates and promotions
2. Scrutinize your product & customer histories for underperformance
3. Protect Margin Leakage with Pricing Software
4. Focus on value in the eye of price fluctuation inflationary storm
5. Speed up pricing approvals to battle price fluctuation
6. Forecast For Fluctuations
7. Use Blockchain-Based Solutions
8. Hedge Against Volatile Prices
9. Cut Costs by Buying in Bulk
10. Lock In Rates with Your Suppliers

● Risk Mitigation

Since you are able to mitigate the risks is a positive sign. It is good that you have pre-planned your approach for dealing with your business risks. Try to review your risk mitigation strategies from time to time to ensure they are fit for purpose.

You have mentioned that Solvency is one of the current financial risks in your business. You can do the following to mitigate the risks:

1. Focus on cash flow
2. Reduce business expenses
3. Keep your creditors in the loop
4. Get good financial and legal advice
5. Negotiate with your creditors
6. Chase up debtors for immediate payment
7. Sell off assets if possible

Risk Validation

It is critical to get the risks validated from an external consultant or an auditor. Risk consultants or Auditors use their business, finance, and mathematics expertise to help firms seeking to decrease or eliminate risk while performing operational, financial, and technological business processes. They help clients to identify, understand, and manage risks related to daily operations.

Key Performance Indicators | Points: 90

KEY PERFORMANCE INDICATORS



Scope of KPIs

- You mentioned that you not use KPIs in the following departments:

Human Resources

IT

Social Media

You should be using relevant KPIs in these departments also if applicable to you. In case you have difficulty in identifying the relevant KPIs for your business, you can get in touch with one of our experts who can guide you in this.

● Frequency of Measurement

You mentioned that you use KPIs against business results on a daily basis. There is no right or wrong answer to this. There are only few KPIs which should be tracked on a daily basis and the rest on a weekly, monthly, quarterly or even annual basis. This is how you will be able to make optimum use of your time and resources. You need to do a deep dive and identify the periodicity of review for each KPI. The key to success is to identify and then adhere to the schedule. Few KPIs which should be tracked on daily basis are New Inbound Leads, Daily Sales, Order Book, Cash Flows.

● KPIs to Aid Decision Making

Your Company is doing the right thing by making detailed enough KPIs so that you can make informed business decisions.

● Monitor Performance

It is heartening to know that you monitor other performance targets alongwith the financial ones. This is a very healthy sign for the Company and can give you relevant indications for decision making and growth.

● Team Awareness

You mentioned that most of the team members are aware of the KPIs and their importance to business. This implies that most of them are aligned to the company. This is a great achievement for any company and this will lay the foundation stone of success for the company.

Manager's Responsibility

You mentioned that the Manager's responsibilities are matched with the KPIs. You need to ensure that those are tracked on predefined time intervals. Further, you should also give the requisite power to fulfil the responsibilities.

Top Priorities

There is a huge advantage in tracking critical numbers so that you always know where the business is and where it is heading. Ideally, you should have 3 to 5 top priorities/key measures identified, as well as an overall top priority so that you can be focused on achieving clear measurable goals in each financial period.

Communication | Points: 78

COMMUNICATION



● Effectiveness of Internal Communication

Since you rate internal communication as excellent, it is assumed that there is free flow of communication - Internal Upward, Internal Downward and Internal Lateral.

Since your staff rate internal communication as excellent, it is assumed that there is free flow of communication - Internal Upward, Internal Downward and Internal Lateral.

● Extent of Sharing with Staff

When we asked you how much you tell your staff, you selected We tell staff what we think they need to know – This is an extremely cautious approach to information sharing and communication tends to be just one way - downward. The culture of the business may be seen by employees as individualistic rather than collaborative. Pockets of information may be hoarded by individuals who see information as power. You share selected operational and financial information with employees because you feel it is necessary to do so from time to time.

● Staff Meetings

You mentioned that you have regular meetings with the staff. Staff meetings help keep everyone informed and up to date. They let you collaborate as a team by providing feedback, sharing ideas and asking questions. When staff is included in discussions and decisions of certain issues, it will be good for morale and motivation in the workplace.

● Communication Gaps

You mentioned that your business is suffering from gaps in communication. You need to work on the reasons for the same and take corrective action. With good communication setup, your company gains the following benefits:

1. Better services and products
2. Improved trust and commitment

3. Job satisfaction
4. Increased employee retention rate
5. Healthy workplace relationships
6. Reduced injury rates
7. Contribute to brand awareness

Informal Grapevine

You mentioned that informal grapevine has a neutral influence in your business. You can use the internal grapevine to your advantage in such a manner that results in following benefits:

1. **Grievance Redressal** - Often, during informal meetings, employees are able to talk about their requirements and express their opinions and feelings to others without any hesitation. In a more restricted environment, they may not have raised any issues. This also helps reduce the turnaround time for conflict to be resolved.
2. **Improved Relationship** - An informal communication system effectively solves most of the problems or clashes between employees and the organization's management. This, in turn, creates positive relations among the teams and the management.
3. **Increased Efficiency** - Employees share their concerns and issues openly under the informal system. This helps the management and the organization get precise feedback and solve the problems. Consequently, it develops and improves the efficiency of the employee.

Strategic Business Planning | Points: 94

STRATEGIC BUSINESS PLANNING



● Essence of Business Plan

It is good that you see value in having a business plan. A business plan is a very important and strategic tool for entrepreneurs. A good business plan not only helps entrepreneurs focus on the specific steps necessary for them to make business ideas succeed, but it also helps them to achieve short-term and long-term objectives.

● Creation of Detailed Business Plan

You mentioned that you have created a detailed business plan. That's a great start. However, it is of limited benefit if it is not the guiding light that it should be for your business. The exercise of creating a business plan, and the underlying soul searching that delivers it, can set you apart from your competitors. Nevertheless, the real benefit comes from reviewing it frequently to make sure your assumptions were correct and that you are changing it as often as necessary to keep your business on track. The market is not static and neither is the economy you operate in. You will have to regularly change tactics to keep up with the dynamics of what is happening all around you and your business plan needs to reflect this.

● Frequency of Changes

You mentioned that you change your business plan on a “Quarterly” basis. There is no right or wrong answer to this. Business plan should be modified as and when there are some changes in the assumptions used in preparing the plan.

● Frequency of Reference

You mentioned that you refer to the plan on a “Quarterly” basis. There is no right or wrong answer to this. However, the plan should be referred to at regular intervals so that the working is aligned to the plan.

● Involvement of Staff in Preparation

You mentioned that your staff was involved in developing your business plan. You cannot underestimate the importance of getting your staff involved in business planning. Senior management or business owners do not have a monopoly on good ideas. Great ideas can emerge from even the most junior member of staff. It is critical

to take staff ideas on board because you will be depending on them to implement the ideas. If you have staff buy-in and they support the plan, you have a better than average chance of implementing it.

You mentioned that your business has a detailed written plan that is regularly shared and discussed with staff. Congratulations! Many businesses go to the trouble of brainstorming and creating a business plan and then it sits on a shelf or in the drawer of a filing cabinet, never to see the light of day again. You cannot underestimate the importance of using your business plan as a benchmark for your business performance and for keeping you on track. If your business plan does not reflect changes within your business and the market environment it operates in, then it is really not of much use to you.

● **Company Vision**

You mentioned that you have a long-term vision for your business. It is impossible to build brands without a vision because building brands requires consistency over the long-term. And, without a brand, you cannot stand for something. And, if you do not stand for something, customers and employees cannot form a relationship with you. In short, you become replaceable. Having a vision is the first step to becoming irreplaceable in the hearts and minds of your customers and employees.

● **Company Mission Statement**

You mentioned that you have a mission statement for your business. Mission statement is important as it provides the following benefits:

1. To communicate the direction of the organization
2. To help make day-to-day operating decision.
3. To keep the organization focused
4. To motivate employees

● **Business Strategies or Objectives**

You mentioned that you have clear business strategies or objectives. This means that you have already done some of the strategic thinking about the future of your business. You are getting some of the fundamental issues for your business right. It is not a huge stretch to start looking at your business in a more structured way to see how you can make incremental improvements.

● **Defined Timelines**

You mentioned that you have timelines fixed for each business objective. Well done. This is absolutely key to moving your business forward. Many businesses operate in an aspirational way but falter when it comes to actually doing things in an orderly way, on-time, on-budget and by the persons assigned responsibility for delivering. All milestones need to be clearly articulated, time-dated and assigned to someone who must deliver it.

● Financial Projections

You answered that you do a detailed financial projection to support your business plan. This is an important exercise in managing your business properly. The benefit of doing detailed financial projections is that you anticipate what may happen in the future and then you measure what happens monthly to see if your earlier assumptions about income and expenditure were correct. Over time, you will get better and better at forecasting the future and you will avoid unnecessary cash flow shortfalls or even business failure.

● Strategy Time

You mentioned that the management team does meet and spend at least half a day per month to strategies to agree to common strategies that will help the business grow. Busy executives often fail to take time out to think strategically about their business, so well done! It is difficult to focus on long term issues that may affect the business when you never seem to get away from the telephone and scheduled meetings. The only way to do it successfully is to do it as a matter of routine, off-site, away from the constant interruptions that typify modern business life.

● Knowledge of Team Regarding Company Vision and Business Strategy

You mentioned that each employee has the ability and knowledge to allow them to clearly articulate the company's vision and business strategy. Great, this is really important. If you are communicating your vision for the business and the core values espoused by the executive team, then every employee should be aware of what drives your business forward and they should be able to communicate it to anyone that asks them about it. They should also have clarity about their own role in making it happen. Collectively, everyone in your business has responsibility for understanding and executing the agreed business strategy and they all must be accountable for delivering their own piece of it.

Competition monitoring | Points: 74

COMPETITION MONITORING



● Top Competitors

Knowing about your competitors is a good thing. You should have information regarding their strategy, innovations, pricing, marketing etc. in order to be ahead of competition.

● Market Share

Since your competitor or group of competitors have the market power which could be detrimental to your business, you need to take steps to mitigate this risk. You could look at the following:

1. Identify a need in the industry and satisfy it with a product or service
2. Improve on existing products or services
3. Highlight your differences
4. Clarify your brand and message
5. Focus on the needs of your customers
6. Focus on the needs of your employees
7. Explore partnership opportunities
8. Target new markets

Since you mentioned that your competitors are stealing your customers or market share, it is a very risky proposition for you. You need to promptly identify the reason for the same and take appropriate corrective action.

Since you are being seen as a competitive threat by your competition, they may decide to retaliate and engage in business strategies that may make your business vulnerable. You need to take pre-planned actions to defend your market share.

● Business Goals

It is a good sign that you are aware of the business goals of the competitors. This is one of the strategic ways in which you can stay ahead of competition

● **Product Strategy**

It is good to know that you understand the product strategy of your competitor. This is an integral part of running a successful business.

● **Pricing strategy**

It is good to know that you understand the pricing strategy of your competitor. This is an integral part of running a successful business.

● **Promotional Strategy**

It is good to know that you understand the promotional strategy of your competitor. This is an integral part of running a successful business.

● **Distribution strategy**

It is good to know that you understand the distribution strategy of your competitor. This is an integral part of running a successful business.

● **Competitor's Marketplace and Customer's Buying Habits**

We asked you whether you clearly understand your competitive marketplace and customers buying habits. You replied yes. This is fundamentally important because it will ultimately decide the correct product and sales strategies you must adopt for your business. You need to understand customers pain, their frustrations, their behaviour, their dreams and their values. This often means you need to walk many miles in their shoes. You need to regularly take the pulse of customers in terms of satisfaction levels before they switch to one of your competitors. Also, be aware of new disruptors in your industry. New kids on the block with new technologies can decimate your business in a very short period of time. Keep your ear to the ground and be prepared to change rapidly if the market demands it.

● **USP**

It is a positive sign that you have a USP that differentiates you from the competition. This is a must have as it will help the company to be in a good stead.

Owner's Mindset | Points: 35

OWNER'S MINDSET



● Factors for Limited Growth

Since you know that your growth is limited due to Lack of confidence we would recommend you have a personal session to discuss how to overcome these factors and remove these impediments in your growth and move faster and steadily towards the desired success.

Since you know that your growth is limited due to Phobia of future, we would recommend you have a personal session to discuss how to overcome these factors and remove these impediments in your growth and move faster and steadily towards desired success.

Since you know that your growth is limited due to Past bad memories, we would recommend you have a personal session to discuss how to overcome these factors and remove these impediments in your growth and move faster and steadily towards desired success.

Since you know that your growth is limited due to Past failures, we would recommend you have a personal session to discuss how to overcome these factors and remove these impediments in your growth and move faster and steadily towards desired success.

Since you know that your growth is limited due to any bad habit, we would recommend you have a personal session to discuss how to overcome these factors and remove these impediments in your growth and move faster and steadily towards the desired success.

Since you are aware of having some limiting beliefs, we would recommend you have a personalised session to discuss and remove them for a better and overall growth as a person (individual) and as a company.

● Factors Restricting Your Growth

Fear which restricts your thinking for the growth of your company. These can be eliminated to help you grow faster as a person and company and help you reach your vision and mission at a faster pace. You may contact us to help you with this.

Anxiety which restricts your thinking for the growth of your company. These can be eliminated to help you grow faster as a person and company and help you reach your vision and mission at a faster pace. You may contact us to help you with this.

Lack of confidence restricts your thinking for the growth of your company. These can be eliminated to help you grow faster as a person and company and help you reach your vision and mission at a faster pace. You may contact us to help you with this.

Clarity in Thinking which restricts your thinking for the growth of your company. These can be eliminated to help you grow faster as a person and company and help you reach your vision and mission at a faster pace. You may contact us to help you with this.

Lack of sync between thinking and implementation Thinking which restricts your thinking for the growth of your company. These can be eliminated to help you grow faster as a person and company and help you reach your vision and mission at a faster pace. You may contact us to help you with this.

Lack of creative thinking to create new products / verticals Thinking which restricts your thinking for the growth of your company. These can be eliminated to help you grow faster as a person and company and help you reach your vision and mission at a faster pace. You may contact us to help you with this.

Make the right choices at the right time Thinking which restricts your thinking for the growth of your company. These can be eliminated to help you grow faster as a person and company and help you reach your vision and mission at a faster pace. You may contact us to help you with this.

When you have a holistic growth in terms of

1. Career
2. Personal Life
3. Emotional Mastery

It helps you attain all your goals in a shorter span of time and makes you enjoy the real fruits of your success in totality. At times, we see very successful people whom we idolize and would feel they have all that you desire, but unfortunately, they end up in depression and we cannot figure out what went wrong. At the same time, we see incredibly happy people, but they are not successful in terms of growth and at some point, in life they become sad as they see other people grow. Both types of people have partial success in life at some point or other but lack all round success to make them happy and content in the long term. This stops or hampers their holistic growth and happiness. With the same available resources on hand and a minor change in mindset can lead you to better and fuller optimization of your resources and give you a happiness derived from a happy mind and soul. We can help you achieve this. You may contact us for a personalized session.