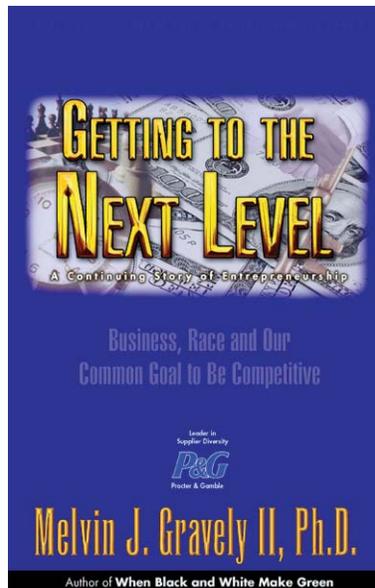




SELF ASSESSMENT TOOL

Companion Tool for *Getting to the Next Level*



“Continuing the national conversation about business and race.”



GETTING TO THE NEXT LEVEL

SELF ASSESSMENT TOOL

Getting The Most From This Tool

The goal of this self assessment is to provide a structured method to review and evaluate various segments of your business. It is a good instrument to use with your external advisory group or with your management team as a means of understanding the business more thoroughly. To get the most from this tool you must be prepared to:

1. Be honest about the answers. This tool is not about what you aspire to become but a review of your current business.
2. Accept candid input. Others that you may decide to involve in this review must feel they can give their input as they see it without fear of anger or retribution.
3. Compare your company to the best. Not the best minority owned firm or the best small business, but the best in the industry. The goal of this self assessment is not to make your business look good or bad but to provide a true measure of your position and progress over time.
4. Repeat the assessment over time. Repeated use of this tool will provide feedback on your improvement in particular areas.

This Self Assessment Tool can be very valuable if used properly. Asking others for input on the assessment and discussing the output with others is a critical element in getting the most from the tool.

Defining Competitiveness

Competitiveness is your firm's ability to:

1. Win business over competitors
2. Take advantage of opportunity
3. Manage through changing dynamics
4. Deal with negative market shifts

Rating Scale

Many of the assessment questions ask you to rate your firm on a scale of one to five; one is low and five is high.

Use the following description to answer the various questions referring to the one to five scale:

- 1 = Your success in this area is rare or your performance is consistently poor.
- 2 = Your success in this area is limited or your performance is mixed and tends to be poor more often than not.
- 3 = Your success in this area varies and is neither consistently strong nor consistently weak. Your performance is mediocre and often difficult to predict.
- 4 = Your success in this area is frequent or your performance is mixed and tends to be strong more often than not.
- 5 = Your success in this area is normal and predictable or your performance is consistently strong.



An Overview of Your Competitiveness

1. Do you believe your company is more or less competitive today than you were?

Circle one for each time frame

3 months ago more less

6 months ago more less

1 year ago more less

2. Please rate the strength of your product mix on a scale of 1 - 5 _____

Yes No Do you feel that you have the right product mix to be competitive?

3. Please rate your financial position on a scale of 1 - 5 _____

Yes No Do you feel you have the right financial position to be competitive?

If no, what financial element is most in need of improvement?

4. Please rate the depth, breadth and general talent of your management team on a scale of 1 - 5 _____

Yes No Do you feel you have the right management team to be competitive?

If no, what is the number one reason your management team is not stronger?

5. Please rate your marketing efforts on a scale of 1 - 5 _____

Yes No Do you feel you have the right marketing effort to be competitive?

If no, what is the number one reason your marketing effort is not competitive?

6. Please rate your sales efforts on a scale of 1 - 5 _____

Yes No Do you feel you have the right sales effort to be competitive?

7. Please rate your ability to attract new business from existing customers on a scale of 1 - 5 _____

8. Please rate your ability to attract new business from new customers on a scale of 1 - 5 _____

9. Please rate your ability to provide consistent performance for your customers (i.e. on-time delivery, quality) on a scale of 1 - 5 _____

Yes No Do you feel your current ability to perform consistently is sufficient to make you competitive?

10. Rate your business on a scale of 1 (low) to 5 (high) in achieving and maintaining the following items:

Customer Orientation 1 2 3 4 5

Timeliness 1 2 3 4 5

Good Reputation 1 2 3 4 5

Credibility 1 2 3 4 5



Financial Flexibility

Much of this section is built from solid, timely and reliable financial statements. Your balance sheet and income statement are the basis for a healthy review of your financial position. Use those documents to assist in answering the following questions:

11. What is your firm's gross profit margin? _____ What is your firm's net profit margin? _____

Are your margins better or worse than the industry average? _____

12. What are the 3 - 4 key financial measures you track consistently to measure the health of your business?

13. Calculate the following standard ratios:

Quick ratio: (Current assets - Inventory) / Current liabilities = Quick ratio _____

Tip: Measures your liquidity or how able your business is to meet its current financial obligations. Generally any number greater than 1.0 is deemed acceptable. An answer under 1.0 is a serious warning sign.

Return on Assets: Net profit before taxes / Total assets = Return on assets _____

Tip: This ratio is one way of evaluating how effective you deploy your assets to return a profit to your business. Many people believe this is the bottom line measure of a businesses bottom line. It is even more useful when compared to the industry standard.

14. Identify the top 5 suppliers/vendors who you buy from in terms of dollars spent with them and the percent of your total business purchases from them:

Name	Percent
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Tip: Generally suppliers that have a relatively large percent of the total supplies can weaken your firm's competitive position through leveraging their strong supplier position to control price. They can also leave you vulnerable, if for some reason, they can not deliver.

	Year before last	Last Year	Current Year (projected)
15. Sales Revenue	_____	_____	_____
16. Net Income	_____	_____	_____

Tip: Sales growth is generally seen as positive and increasing net income and both growth and net income above the industry average is also a positive sign.



17. Yes No Do you have a cash flow problem?

If yes, what are the sources of cash flow issues?

- High internal cost structure? _____
- Lower than industry average gross profit margins? _____
- Larger than industry average accounts receivable? _____
- Lack of enough sales volume? _____
- Improper pricing? _____
- Higher than industry average raw material cost? _____

Operational Effectiveness

18. Yes No Does your company have a training and continuing education budget?

If yes, what is the amount of the training budget? _____

19. Yes No Do you have a system in place to gauge customer satisfaction?

20. Yes No Do your employees ALL have specific duties/tasks (expectations) that are written and measurable?

21. How would employees rate the company on a scale of 1 (low) to 5 (high) on each of the following morale items:

- They feel there is opportunity for advancement _____
- They think highly of the management team _____
- Compensation is adequate _____
- Working conditions are adequate _____
- Performance evaluations are performed and are fair _____
- Performance incentives are fair _____
- Recognition of their achievements is fair _____

22. How frequently are your financial statements prepared and reviewed?

- Monthly
- Quarterly
- Yearly
- Not Prepared

Tip: Monthly financial statements are important and form the basis for evaluating the health of your business.

23. Yes No Do you have a company budget?

If yes, how are budget variances reviewed?

- Monthly
- Quarterly
- Yearly
- Not Prepared

Tip: It is important to both have and use a budget to run the day-to-day operations of your business.



Strategic Position & Focus

	Next Year	Year after Next
24. Sales Revenue Goals	_____	_____
25. Percent Profit Goals	_____	_____

Tip: Make sure sales and profit growth are realistic and based on your firm's historic trends and your specific future business plans.

26. How do you plan to achieve those goals? (Check all that apply)

- Organic Growth
- Acquisition
- Merger
- Strategic Alliance
- Key Management Changes
- Product/Service Changes
- Other _____

Tip: The more rapid the projected growth rate, the more difficult it is to achieve the growth through organic (or internal) means. Be sure your projected growth rate matches your methods to grow.

27. Yes No Do you have a written Business Plan?

If yes, what is the date of your last approved Business Plan? _____ (Month, Year)

Tip: The goals and objectives in your business must connect with the work plans of individuals and day-to-day business activity. Your Business Plan should "trickle down" to what each individual in the business must do everyday to meet the objectives of the plan. Consistent review of the Business Plan is critical to keep the firm focused.

28. What is the most pressing challenge that the business currently faces? (Check all that apply)

- Growth
- Competent Management
- Competent non-management personnel
- Follow-on product/ services
- Competition
- Other _____
- No pressing problems

29. How effective is your business on a scale of 1 (low) to 5 (high) in competing against your 3 top competitors?

Competitor	Level of Effectiveness
1. _____	_____
2. _____	_____
3. _____	_____

30. What is your firm's core business? _____

31. What is your most profitable segment? _____



32. Which of your business segments has the most competitive advantage? _____

33. Which of your products is the easiest entry point to new customers? _____

34. Which of your products or services have the shortest sell cycle? _____

Tip: Questions 30 - 34 are questions that should be clear and consistent to the management team. The answers to these questions could potentially be important to everyone in the company.

35. What type of business relationship would it take to make you a market leader? What would give you the size, market position, capacity, etc?

Marketing and Sales

36. What is the profile of an ideal customer? Consider these key questions to assist in your answer.

— What size is the customer? _____

— What type of business opportunity do they represent (i.e. one-time transaction, even business over time, etc.)

— What purchasing process fits best with your approach to business (i.e. bid, negotiation)? _____

— In what industry is your ideal customer? _____

— Are they in a specific geography? _____

Tip: It is important to remain focused on outlining the ideal customer, not all possible customers or potential customers. Finding the ideal characteristics of the ideal customer has the potential to focus marketing and sales efforts.

37. Rate on a scale of 1 (low) to 5 (high) how effective your company has been in reaching new clients in the last 12 months? _____

38. What is your proposal to close ratio? _____

Number of proposals submitted _____ Number of winning proposals _____

39. Rate on a scale of 1 (low) to 5 (high) how satisfied you are with marketing efforts. _____

40. Yes No Do you have a marketing budget?

41. What is the ratio of new clients to existing/repeat clients in the last 12 months? _____

Number of new clients _____ Number of existing/repeat clients _____



GETTING TO THE NEXT LEVEL

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42. How many industry specific events (tradeshows, networking events, associations, etc.) do you attend per year for your primary industry? _____

Minority Business Programs

43. Why do your top 3 customers use you (Select one primary and one secondary for each customer)? Price, Service, Product Set, Location, MBE Status, Other _____

Customer	Top Reason for Selection	Secondary Reason for Selection
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

44. Why do clients buy from your top 3 competitors (Select one primary and one secondary for each competitor)? Price, Service, Product Set, Location, Size, Market share, MBE Status, Other _____

Competitor	Top Reason for Selection	Secondary Reason for Selection
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

Tip: You may not be sure why your competitors are chosen. You should give an answer based on what you think from your experience. This is also a potentially helpful question to ask your customer or prospect.

45. What is the percent of your total business that is derived due to minority business programs? _____ %
(Please estimate if you are not sure)

Tip: Generally lower is better. Year-to-year trend is the most important measure and should be decreasing.

46. How many minority business events (tradeshows, matchmakers, networking events, etc.) do you attend per year? _____

Yes No Is this more than the number of industry events your firm attends per year?

Tip: A firm's success is generally more dependent on their industry knowledge and relationships than on their MBE status.

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