

SBC

Client Business Analysis

A. Introduction

The SBC Business Analysis is designed to assist you, the business owner, to conduct an objective analysis of your business. It is meant to be an integral part of a comprehensive assistance effort by the Western Piedmont Small Business Center. Upon completion of the Business Analysis, the SBC Director working with you will evaluate the results and assist you in addressing any needs/issues identified through the use of the questionnaire. This may be done directly by the Director; it may be done by a consultant assigned (at no charge to the business client) by the Director; in some cases the best service is a referral to another organization that specializes in the area of need.

Please complete the Business Analysis as fully as possible and return it to the SBC. We also ask that you provide feedback about the Business Analysis itself. The SBC constantly seeks to improve the quality of all of its services. We can improve this instrument, and its value to future SBC clients, if you will provide this feedback to us.

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Describe your business:

Is this a

- Start-up business?
- Ongoing business?
- Or does the client (business or individual) contemplate buying a business?

B. Business/Strategic Plan Assessment

1. What are your personal goals that motivate you to start/run this business?
2. Describe the potential risks and rewards of starting/running this business.
3. Describe the support and resources you have both personally and professionally that will enable you to be successful in this business.
4. Does your company have a written business plan? When was it written? When it was last updated?
5. What is your company's purpose? What customer needs will you fill?
6. Describe where your company will be in five years. How will you achieve growth?
7. Is your company in a growing, mature, or declining industry?
8. In the past six months have there been any significant changes in your company or industry? (i.e. restructuring, products/services, technology, competition, regulations)
9. Does your company have a written strategic plan in place to address the internal and external changes in your business? When was it written? When it was last revised?
10. How much of your purpose/plan/goal have you accomplished so far?
11. What needs to be done next?

C. Product

1. Describe your product or service (concept, principle, performance).
2. What need does it fill?
3. How does it differ from existing products?
4. What are its features?
5. What are its benefits?
6. How is it priced (amount, method)?
7. Who are (will be) typical users/buyers?
8. Why will they select your offering over others?
9. Is your product/service legally protected? How?
 - Patent
 - Trademark
 - Secrecy
 - Proprietary
10. Who will be your competitors?
11. Can this product/service be improved? Can cost be reduced? Can features/benefits be added?
12. Can your offering be extended/expanded? How? Could a product line be developed?

D. Marketing

1. Who is your target market?
 - Potential customer/user
 - How many
 - Segments – which is most important to you? 2nd? 3rd?
2. What are the three most important characteristics of a good prospective customer for you?
3. What have been your annual sales over the last five years?
4. What have been the total sales of your product/service over the last five years (all competitive or similar products combined – the market)?
5. How do you/will you distribute your products/services to customers (stores, salespeople, Internet, mail, etc.)?
6. How do you communicate with prospective customers?
7. What are your most successful communications efforts? How do you define or measure success?
8. Do you advertise? Do you use paid media, such as newspaper, radio/TV? When? Where? What? Why? How?
9. How else do you promote your business? (Coupons, mailing, press releases, etc.)
10. Describe your sales process.
11. How do you establish sales goals?
12. How are your sales persons (and/or outside agents) trained, compensated, supported by you (i.e. brochures, etc.)?

F. Administration

1. Systems and Procedures
 - a. Are there written systems and procedures for all functional areas?
 - b. Is everyone concerned familiar and knowledgeable in this area?
 - c. Are controls installed to properly monitor performance?
 - d. Are these systems automated or manual?
 - e. Who writes and updates the systems and procedures?

2. Automation
 - a. Do you own a computer?
 - b. What is it used for?
 - c. What types of software do you have and use?
 - d. Do you have a systems automation plan?

3. Legal Structure
 - a. What legal structure do you currently operate under and why?
 - b. Do you plan to incorporate?
 - c. Are you familiar with the various types of corporations and which would best fit your needs?
 - d. Do you have a company attorney?

4. Accounting
 - a. Who is responsible for keeping the company books and financial records?
 - b. Do you have and use an automated accounting system?
 - c. Who pays the bills and collects receivables?
 - d. Who is responsible for monitoring cash flow?
 - e. Do you have a company CPA?
 - f. Who is responsible for tax planning?

5. Budgets and Forecasting
 - a. Do you prepare an operating budget?
 - b. Do you employ forecasting techniques?
 - c. Do you use performance reporting?

6. Machinery and Equipment
 - a. Do you have an inventory of all machinery and equipment?
 - b. Do you know the book value and market value of all equipment?
 - c. Do you have a replacement or updating plan?
7. Insurance
 - a. What kinds of insurance do you have or need?
 - b. Do you routinely seek lower cost insurance?
8. Environmental
 - a. Are there environmental concerns such as soil, air, or water contamination?
 - b. Are there environmental compliances to be addressed?
9. Security
 - a. Is security an issue in terms of inventory control, cash transactions, theft of equipment, or vital information?
10. Licenses and Permits
 - a. What kind of federal, state, or local licenses and/or permits are required?
 - b. Who is responsible for obtaining and maintaining all licenses and permits?
11. Leases
 - a. Do you own, rent, or lease your premises?
 - b. Do you lease machinery and/or equipment?
 - c. Do you know the interest rate used and other vital information on all leased machinery and/or equipment?
 - d. Who has the authority to enter into a lease on behalf of the company?
12. Contracts
 - a. What contracts does the company currently have in force?
 - b. What types of contracts does the company seek to enter into?
 - c. Who has the authority to enter into a contract on behalf of the company?

G. Human Resources

1. Describe your workforce (number)

	<u>Full-time</u>	<u>Part-time</u>	<u>Contract</u>
a. Management			
b. Administrative staff			
c. Production			

Skills

 - a. Management
 - b. Administrative staff
 - c. Production
2. Do you have an organization chart?
3. How and how much are employees compensated?
4. Do you provide benefits? Describe.
5. How do you secure new workers?
6. Do you provide (describe)...
 - a. Training?
 - b. Development/promotion?
7. What is your incidence of turnover?
8. What measures have you taken to comply with federal and state labor laws?
9. Do you have workers' compensation insurance?
10. Is your payroll...
 - a. Manual?
 - b. Automatic?
 - c. Produced internally?
 - d. Produced by a service?
11. What standardized forms do you use?

H. Financial Management

1. How much capital will your business require?
2. Of that amount, how much can you provide from your own resources?
3. How do you plan to secure the rest of the needed funds?
4. Have you begun to seek these funds?
 - a. Have you applied for a loan? If so, please provide a copy of the application.
5. How do you plan to use the available funds?
6. Do you have formal financial...
 - a. Statements (each year of operation)?
 - b. Projections (next five years)?
 - c. Sales forecast?
 - d. Operating statement (Profit & Loss)?
 - e. Financial statement (Balance Sheet)?
 - f. Cash flow statement?
 - g. Budget?Please provide these documents if you have them.
7. Do you have...
 - a. Collateral for financing?
 - b. Credit history?Please provide statements.
8. Does the funding you describe provide for growth? How fast can you grow within funding limits?
9. Do you plan to acquire an existing business?
10. Do you have a comprehensive analysis (including financial statements) of this business?