

There are Four Basics of Business

These must be asked :

There is no rating for this - It is a must !

1 Do you have a cash flow?

This is a best estimate month on month, starting at today's bank account statement figure and shows the "lumpy amounts payable", the big ticket items, falling in the months in which they are payable. Cash flow must answer the question "Can the business pay its debts as, and when, they fall due, plus the wages next week?"

2 Do you have a budget?

This is a month on month prediction of sales and costs. It includes items of a capital nature and expenses that can fall into one month. The budget must provide for taxes. It must have support from past sales history and supported by a list of every client's past sales and prediction of the next twelve months.

3 Do you have a Business Plan?



The plan must have an executive summary covering a paragraph on each of the following;

This must have the elements of:



A marketing which is supported by a sales plan,



a people plan,



a quality plan, which includes constant improvement and innovation.



a risk plan, identifying the dangers of market failures, changes in regulations and these are all drawn in figures in the above.



a financial plan.

YES	NO
YES	NO
YES	NO

4 You must answer the questions:

Is the firm a single product manufacturer?

Do you have a single client?

Is the firm based on Government regulation, which can change any time?

5 Do you have a shareholder agreement?

This must be signed by your business partner/s, and include your husband/wife/partner. If you are a soul trader, the agreement must also be signed by your best employee/s, who may have too much information and also when you have investors.

6 Prepare for Idea Generation:

This is a process. It is a start to clarify the business strategy.

7 What are the shareholder plans and are they recited?

Are there long term goals that reflect ambition to achieve a passion or a route to financial freedom?

8 Does this include your partner having a say?

Has the skill sets been identified, particularly the shareholder / manager weaknesses?

Is your work your passion?

Is your work all consuming?

Is there balance in your life?

Is there a 'team culture' game in the office/factory?

Is there a hierarchy-bureaucracy in the office/factory?

YES

NO

YES

NO

YES

NO

YES

NO

9 Where are we now?

Rate the firm as to a written strategy.

Does it refer to the where the firm has been?

Where has there been excellence?

Where have there been failures?

Where are the strengths/opportunities/weaknesses/threats?

Are there uncertainties, as opposed to risks, identified?

What are the trends in the market Internationally?

What are the trends in the market locally?

Where does the firm find this information? Industry Associations?
Business Groups? Reading business journals?

How many hours a year do the top managers attend professional
development?

If the CEO is untrained in Company Law has he/she ever received
any legal training?

Has the firm had a legal audit of all agreements with employees,
distributors and/or sale contracts?

Does this answer the question? Where are we now ?

10 Where are we going ? The Business Strategy

It is vital to establish a base for the three stages and imbed the
innovation into the business.

The three steps of **Generation, Conversion and Diffusion** and
require a designated leader to a team. This is about idea
generation and not business generation or market expansion.

Do you have such a person?

This person has to be tasked with the process and have a team
built around them to lead, encourage, maintain the flow, set-up
feed backs to areas, reward ideas, sift ideas that will be pursued,
evaluate the ideas as to where they fit and re-set the plan.

1 2 3 4 5

YES

NO

Is this set down in a document for all to understand?

YES NO

Has there been a process for team selection, so that different personalities, drawn from across all skill sets, all levels of the organisation, across gender, age and is it facilitated not instructed?

YES NO

Does this team understand that breakthroughs and new ideas can be generated from:-

Business units?

YES NO

Across business units?

YES NO

External sources?

11 Has customer research been documented?

YES NO

Were the views assessed on delivery, quality, after sales service, suitability to customer needs and/or non-conforming reports [NCRs] from customers?

YES NO

Has there been a scoping of the total market?

YES NO

Do we know how many items are purchased? [as opposed total \$\$]

YES NO

How many customers are there?

YES NO

How many items do they use in any one year?

Do we know what proportion we have of that market?

YES NO

If we don't have the largest proportion, what plans are there to obtain the rest?

YES NO

How will this be achieved and how much will it cost?

YES NO

12 Do we ever have customer entertainment activities?

YES NO

Are key clients invited to functions where informality can encourage off-site exchanges, between managers who may not usually interact, but where information of support or problems can be talked through?

Have the owners/shareholders/board established a need for a culture of creativity, or is there a bureaucracy of structured silos and is fear a driver

YES NO

13 Does the team ask:

What have we forgotten?

[Obama and McCain were asked : “What don't you know and how are you going to find out?” Rumsfeld stated : “It was the unknown, unknowns " that we have to be aware of, or donut vision, the hole in the middle which we don't see what is there. In the uncertainty, complexity and speed of change, are we prepared or are we standing flat footed?]

14 Have the owners/shareholders / Board established a need for a culture of creativity?

15 Is there a bureaucracy of structured silos and is fear a driver?

YES	NO
YES	NO
YES	NO