

## How Healthy Is Your Small Business?

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This month's areas of focus of UP Business Today includes health and wellness. Traditionally, we may interpret health and wellness to be subjects more personal in nature, however we can also look at health from a business perspective.

When assessing the health and wellness of a business, we suggest looking at five core areas: culture, leadership, finance, business operations and brand. For the purposes of this article, we have developed a scorecard to determine the health of your business. For each of the twenty-five points below, score your business on a scale of 1-5, 5 being the highest score. Then add up your totals for each core area.

### **Culture:**

1. "Why" you are in business has been defined and shared with employees. (1 2 3 4 5)
2. A company mission statement has been developed and is known. (1 2 3 4 5)
3. Company values have been developed, are communicated and lived daily. (1 2 3 4 5)
4. There are clear and consistent lines of communication with staff. (1 2 3 4 5)
5. There is a clearly defined process for recruiting and it reflects your culture. (1 2 3 4 5)

Total Culture Score \_\_\_\_\_

### **Leadership:**

6. You have a vision for your business and are consistently sharing with staff. (1 2 3 4 5)
7. Clearly defined, measurable objectives have been developed for 1-3 years. (1 2 3 4 5)
8. There is a succession plan to ensure continuity of business. (1 2 3 4 5)
9. Staff is trained and regular development occurs. (1 2 3 4 5)
10. You take time regularly to learn and become a better leader. (1 2 3 4 5)

Total Leadership Score \_\_\_\_\_

### **Finance:**

11. Monthly financial statements are received by the 10th of the following month. (1 2 3 4 5)
12. Monthly budgets are developed prior to the start of the month. (1 2 3 4 5)
13. There is three to six months of business savings. (1 2 3 4 5)
14. Little to no debt. (1 2 3 4 5)
15. Net profitability is healthy (10%+). (1 2 3 4 5)

Total Finance Score \_\_\_\_\_

### **Business Operations:**

16. Business processes or work instructions are documented. (1 2 3 4 5)

17. Core business systems run smoothly. (1 2 3 4 5)
18. Waste of time, money, motion, travel, rework and skill is limited. (1 2 3 4 5)
19. Quality of products or services is a priority and audits occur regularly (1 2 3 4 5)
20. Operations teams meet at least quarterly to continuously improve. (1 2 3 4 5)

Total Business Operations Score \_\_\_\_\_

**Brand:**

21. Website and social media presence is clear and concise. (1 2 3 4 5)
22. Building or vehicular signage is attractive and clear. (1 2 3 4 5)
23. Reputation in business is regularly measured through surveys. (1 2 3 4 5)
24. A marketing calendar exists with planned promotions or other initiatives. (1 2 3 4 5)
25. There are documented procedures for how leads are converted into sales (1 2 3 4 5)

Total Brand Score \_\_\_\_\_

Next, add the scores together for all five core areas and compare your score to the scale below.

My grand total score is \_\_\_\_\_

- 101-125 Great health
- 76-100 Good health
- 51-75 Average health
- 26-50 Poor health
- 0-25 You may want to rethink being in business

Becoming aware of the general health of your business is the first step in improving upon your business in 2020. The second step is weekly or monthly setting aside time to work “on your business” in the area of most need. Take it slow but be consistent and by the end of this year you will have major progress in the areas you decide to improve. Slow and steady wins the race. Have a great 2020!

*Jeff Ketchum is a 20-year resident of the Upper Peninsula and the Founder and President of several U.P. based small businesses. One of them, Lordstone Business Advisors, Inc., helps guide small business owners (\$1M - \$50M) who are looking to grow their business through effective planning, hiring, leadership development and execution.*