SECTION 1:

Business Assessment and Goal Setting
Is this you? You want to grow your business, but …

- You’re constantly “putting out fires,” spending all your time dealing with urgent situations or emergencies in your business.
- You’re working long hours and getting burned out.
- You’re missing out on opportunities because you can’t respond to requests in time, can’t pursue leads or don’t have the resources you need to pursue potentially profitable activities.
- You’re worried that you’re falling behind the competition.
- You start every day with the best intentions, but at the end of the day you feel like you haven’t accomplished any big-picture goals.
- You’re so busy running your business day-to-day, you don’t have time to grow it.

You’re not alone. This is a common situation for every small business owner.

Business Needs Assessment

Before you can consider growth, you need to have a solid understanding of the current state of your business. The SCORE Business Needs Assessment helps you ascertain the current state of your business. It also helps you spot areas where you could improve and opportunities for growth.

The Business Needs Assessment asks you about five key areas of your business:

1. Management
2. Marketing
3. Sales
4. Finance
5. Operations

Completing the Business Needs Assessment will show you strengths and weaknesses in your business. Correct the weaknesses by working to improve in these areas. Focus on the strengths to find opportunities for growth.

NEXT STEP

Complete the Business Needs Assessment worksheet on the next page. Then visit the SCORE website at www.score.org to make an appointment to meet with a SCORE mentor, assess your results and perform a more in-depth Business Needs Assessment together.
Completing the following test will help assess the areas of strength and weakness in your business. Please answer each question with an "X" under YES or NO/DON'T KNOW.

**BUSINESS OWNER NAME:**

**BUSINESS NAME:**

<table>
<thead>
<tr>
<th>Section</th>
<th>Question</th>
<th>YES</th>
<th>NO/DON'T KNOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL</td>
<td>1. Are you happy with the current performance of your business?</td>
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<td></td>
<td>2. Do you have detailed goals outlined for your business?</td>
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<td></td>
<td>3. Does your business have the following:</td>
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<td></td>
<td>a. Business Plan (as you might provide to a bank)</td>
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<td>b. Strategic Plan detailing where you are going and how you will get there</td>
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<td></td>
<td>c. Vision and/or Mission Statement and/or Value Proposition Statement</td>
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**SUBTOTAL:**

<table>
<thead>
<tr>
<th>Section</th>
<th>Question</th>
<th>YES</th>
<th>NO/DON'T KNOW</th>
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<tbody>
<tr>
<td>MANAGEMENT</td>
<td>1. Do you know your key employees’ strengths and weaknesses?</td>
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<td>2. Do you have detailed job descriptions for most or all positions?</td>
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<td></td>
<td>3. Do you (and your managers, if applicable) know how to conduct effective interviews to find the best job candidates?</td>
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<td>4. Do you have a procedure in place for onboarding new employees?</td>
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<td></td>
<td>5. Do you have an evaluation method for your employees?</td>
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**SUBTOTAL:**

<table>
<thead>
<tr>
<th>Section</th>
<th>Question</th>
<th>YES</th>
<th>NO/DON'T KNOW</th>
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<tbody>
<tr>
<td>MARKETING</td>
<td>1. Do you have a marketing plan in place for your business?</td>
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<td>2. Do you set specific goals for each promotional campaign or ad?</td>
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<td></td>
<td>3. Do you regularly measure the results of your marketing and promotions efforts?</td>
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<td>4. Are your marketing and promotional efforts bringing in new business?</td>
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<td>5. Does your business have a unique brand?</td>
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**SUBTOTAL:**

<table>
<thead>
<tr>
<th>Section</th>
<th>Question</th>
<th>YES</th>
<th>NO/DON'T KNOW</th>
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<tbody>
<tr>
<td>SALES</td>
<td>1. Are you satisfied with your business’s current distribution channels?</td>
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<td></td>
<td>2. Are you attracting enough of your ideal customers?</td>
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<td></td>
<td>3. Are you generating enough qualified leads?</td>
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<td></td>
<td>4. Do you set measurable goals for your sales team?</td>
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<td></td>
<td>5. Are you consistently hitting your sales targets?</td>
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**SUBTOTAL:**
SECTION 1: Business Assessment and Goal Setting

Business Needs Assessment: Worksheet

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<thead>
<tr>
<th>FINANCE:</th>
<th>YES</th>
<th>NO/ DON'T KNOW</th>
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<tbody>
<tr>
<td>1. Are you achieving your financial goals for the company?</td>
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<td>2. Has your revenue grown steadily for the past three years?</td>
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<td>3. Is your cash position better than it was a year ago?</td>
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<td>4. Do you regularly monitor cash flow?</td>
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<td>5. Do you track actual expenses so you know why profits are up or down?</td>
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<td><strong>SUBTOTAL:</strong></td>
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<tr>
<th>OPERATIONS:</th>
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<tr>
<td>1. Do you regularly establish and document goals, strategies and objectives to run your company?</td>
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<td>2. Do you have documentation, process maps or operations manuals describing your business operations in detail?</td>
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<td>3. Does everyone in your business understand which operational activities have the greatest impact on your business goals and profits?</td>
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<td>4. Do you have systems in place to monitor and control your product costs/job costs?</td>
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<td>5. Are your products or services always delivered on time?</td>
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<td><strong>SUBTOTAL:</strong></td>
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<td></td>
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<tr>
<td><strong>TOTAL:</strong></td>
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Scoring:
- 5 points for each YES
- 0 points for each NO/DON'T KNOW

Score: 0-50

It seems as if there’s a lot about your business that you don’t know or haven’t yet developed. But there are also many opportunities for growth and improvement on which you can begin to capitalize. Think about what you want to achieve as an entrepreneur and develop a plan for accomplishing those goals. Take the time to examine each aspect of your business to identify weaknesses and opportunities for growth/improvement. Work with your SCORE mentor to further assess what’s happening with your business.

Score: 55-100

You have a pretty good understanding of what’s going on with your business but could benefit from a break from the day-to-day operational activities to develop some strategies for growth. Schedule an appointment with your accountant to examine your finances. Complete an inventory of your work hours to identify how you’re spending your time. Perhaps it’s time to hire someone to help so that you can spend more time working on your business instead of working in it.

Score: 105-150

You’re on top of things. You are doing pretty well and have taken the time to develop plans to ensure you stay profitable. You don’t need any help to keep your doors open, but may need some fresh ideas to expand and grow in ways you may not have considered. Meet with your SCORE mentor to help you identify ways to take your business to the next level.

Get help from SCORE mentors. Visit www.score.org to find a mentor near you or get advice online.
Getting a new business off the ground is something to be proud of. Congratulations! You’ve achieved the first stage of business success. Now, you’re ready to move on to the second stage: growing your business.

How Do You Define Growth?

Growth means different things to different business owners. When you think of growth, you may envision:

- Increased revenue
- More employees
- New location
- Adding products
- Increasing sales

Growth might mean becoming a household name, like Starbucks or Facebook. You might have more modest goals, such as adding a second location, adding a new product line or expanding your services. Or growth might just mean doing more of what you’re doing, by increasing your sales.

Ultimately, growth should lead to the kind of lifestyle you desire, whether that’s making a lot of money, having the freedom to do what you want, or being able to help others through your business.

Understanding Your Industry Life Cycle

As you plan for business growth, it’s important to understand where your business falls in the industry life cycle. Where your industry is in its life cycle can make it easier or more difficult to grow your business.

The chart here illustrates the natural progression of industry life cycles. Is your industry in the start-up, growth, maturity or declining phase?
Planning for Growth

SECTION 1: Business Assessment and Goal Setting

Industry Life Cycles

A business will face different challenges, and need to use different growth strategies, depending on its stage in the industry life cycle.

Rapid growth: Common challenges of this stage include finding adequate financing and staff to deal with growth; effectively managing time and delegating; and putting systems in place to track finances, operations and other elements of your business while it is rapidly changing.

Maturity: The challenges you’ll face with a mature business include avoiding complacency, finding new areas of growth, and maintaining success and leadership in your industry.

Decline: When industries go into decline, one of three things can happen:

1. **REINVENTION**: An industry might reinvent itself, leading to new growth. For instance, currently marketing companies are reinventing themselves to focus on the new interest in social media. An industry in reinvention faces many of the challenges of rapid growth combined with maturity.

2. **SLOW DECLINE**: If an industry declines slowly, your business has an “early warning” that gives you time to make changes in order to survive. An example is the magazine publishing industry, which has slowly been affected by the rise of the Internet.

3. **RAPID DECLINE**: Rapid decline often happens due to outside events, such as when travel agencies saw business drop drastically after 9/11. This is the most difficult life cycle.
Strategic Planning

Strategic planning helps you figure out where your business is, where you want it to be and how you will get there. There are three steps to strategic planning:

1. Create or update your company’s Vision Statement. The Vision Statement expresses the overall purpose of your business, what your business does and the values that guide it.
2. Create a SWOT Analysis that assesses the Strengths, Weaknesses, Opportunities and Threats facing your business.

Make sure your goals are SMART (Specific, Measurable, Attainable, Relevant and Timely).

- **SPECIFIC:** Saying “I want to grow my business” is not specific. What do you want to grow? Do you want to increase sales? Add locations? Add products or services? Be as specific as you can. Specific goals are easier to measure.

- **MEASURABLE:** Goals should be measurable. If your goal is to “increase sales,” create a measurement by which you’ll judge success or failure. Perhaps you want to increase sales by 50 percent.

- **ATTAINABLE:** A 50 percent sales increase may be a noble goal, but is it realistic given the state of your business, the market and your competition?

- **RELEVANT:** Goals should be relevant to your long-term plan for your business. A 50 percent sales increase is certainly relevant. On the other hand, if you own a restaurant, a goal to start packaging and selling your own line of salad dressings might be relevant—or it might be a distraction that will take your focus away from more important areas.

- **TIMELY:** Putting your goals within a specific time frame helps you measure results and stay on track. Do you want to increase sales by 50 percent per month, in six months or in a year? Choose a realistic time frame.

Complete the Strategic Planning worksheet on the next page.
**SECTION 1: Business Assessment and Goal Setting**

### STEP 1: VISION STATEMENT

**a.** What’s the overall purpose of your business; what are you trying to achieve? Why are you in business?

**b.** What products and services does your business provide?

**c.** What’s important to your business; the values your business lives by?

### STEP 2: SWOT ANALYSIS (STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS)

<table>
<thead>
<tr>
<th>WILL HELP YOU</th>
<th>WILL HARM YOU</th>
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<tbody>
<tr>
<td>INTERNAL</td>
<td></td>
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<tr>
<td>EXTERNAL</td>
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### STEP 3: GOALS AND ACTION STEPS

Based on your Vision Statement, Business Needs Assessment and SWOT Analysis, begin thinking about long-term goals that you would like to accomplish within three years. As explained on the previous page, your goals should be SMART (Specific, Measurable, Attainable, Relevant, Timely).

**FOR EXAMPLE,** “increase sales” is not a SMART goal, but “increase sales from $300,000 to $600,000 in the next 18 months” is. The latter goal sets a specific, measurable dollar amount with a timely date for completion. The goal is relevant to the business and is realistically attainable within the time frame.

Write your goals in the space below. As you read through this workbook, continue thinking about possible goals and how to make them SMART.

Get help from SCORE mentors. Visit [www.score.org](http://www.score.org) to find a mentor near you or get advice online.
In the rest of this workbook, we’ll cover the five key components of business growth:

1. Managing your time, people and resources
   ■ How to manage your time and delegate effectively
   ■ How to perform a job analysis and assess your HR needs
   ■ How to find, interview and onboard job candidates
   ■ How to train, motivate and retain employees
2. Marketing your business
   ■ How to perform market research and competitive analysis
   ■ How to use social media and online marketing
   ■ How to use public relations, events and socially responsible marketing
   ■ Effective advertising tactics and venues
   ■ How to retain customers with outstanding customer service
   ■ How to assess the results of your marketing
3. Growing your sales
   ■ How to determine the best distribution channels for your product or service
   ■ How to evaluate and improve your sales process
   ■ How to set sales goals and benchmark results
   ■ How to use technology to enhance sales
4. Managing your business finances
   ■ Understanding different bookkeeping methods and options
   ■ How to read and use financial statements
   ■ How to manage risk in your business
   ■ How to create and use cash-flow forecasts
   ■ Options for financing business expansion
5. Managing operations
   ■ Understanding operations
   ■ How operations differentiate your business and achieve company goals
   ■ How to maintain quality control
   ■ How to create a business operations manual
   ■ Understanding and using key performance indicators (KPIs)

KNOW YOUR WEAKNESSES

You probably know a lot about at least one of these elements of business success. But do you fully understand all of them? Not many business owners do — and this can hold your business back from achieving its full potential.