
Key Point Analysis

When analyzing the strengths, weakness, and potential of any business there are literally hundreds of functional and operational areas (issues) to be considered.

There are though, a number of key items that give an indication of the areas that may be draining cash, profits, and potential. These items are listed on the five pages that follow and are designed to be used as an **Owners Analysis of Key Business Points.**

In performing a **Key Point Analysis** the main ingredient is *honesty*. Pick the rating category that accurately fits *where the item is today*.

Here are some *basic* guidelines for rating:

- 0 = Does not exist
Does not exist in writing.
Is never considered.
- 1 = Is a major problem area.
Completely dissatisfied with.
- 2 = Is a problem area.
Somewhat dissatisfied with.
- 3 = Is an area that is occasionally a problem area.
On occasion dissatisfied with.
- 4 = Is an area that performs well.
Does not cause dissatisfaction at all.
- 5 = An area in which there is never a problem.
Perfect!
..... and so on.

Any area rated below a four (4) is an area that is operationally deficient and in need of attention/improvement. Because they are costing you money!!

Personnel	0	1	2	3	4	5
Moral (on a whole)	_____	_____	_____	_____	_____	_____
Efficiency (on a whole)	_____	_____	_____	_____	_____	_____
Benefits Package	_____	_____	_____	_____	_____	_____
Wage Levels	_____	_____	_____	_____	_____	_____
Pay for Performance	_____	_____	_____	_____	_____	_____
Job Descriptions	_____	_____	_____	_____	_____	_____
Performance Objectives	_____	_____	_____	_____	_____	_____
Personnel Reviews	_____	_____	_____	_____	_____	_____
Policies/Procedures	_____	_____	_____	_____	_____	_____
Training	_____	_____	_____	_____	_____	_____
Turnover (on a whole)	_____	_____	_____	_____	_____	_____
Hiring/Recruiting	_____	_____	_____	_____	_____	_____
Staffing Levels	_____	_____	_____	_____	_____	_____
Marketing	_____	_____	_____	_____	_____	_____
Sales	_____	_____	_____	_____	_____	_____
Accounting	_____	_____	_____	_____	_____	_____
Production	_____	_____	_____	_____	_____	_____
Owner Delegation	_____	_____	_____	_____	_____	_____
Owner Time Mgt.	_____	_____	_____	_____	_____	_____

Sales/Marketing	0	1	2	3	4	5
Marketing Plan	_____	_____	_____	_____	_____	_____
New Products	_____	_____	_____	_____	_____	_____
New Business	_____	_____	_____	_____	_____	_____
Product Breadth	_____	_____	_____	_____	_____	_____
Product Depth	_____	_____	_____	_____	_____	_____
Pricing	_____	_____	_____	_____	_____	_____
Competition Analysis	_____	_____	_____	_____	_____	_____
Sales Plan	_____	_____	_____	_____	_____	_____
Sales Forecast	_____	_____	_____	_____	_____	_____
Market Share	_____	_____	_____	_____	_____	_____
Sales Organization.	_____	_____	_____	_____	_____	_____
Sales Controls	_____	_____	_____	_____	_____	_____
Sales Incentives	_____	_____	_____	_____	_____	_____
Sales Training	_____	_____	_____	_____	_____	_____
Customer Analysis	_____	_____	_____	_____	_____	_____
Customer Service	_____	_____	_____	_____	_____	_____
Policies	_____	_____	_____	_____	_____	_____
Credit and Collection	_____	_____	_____	_____	_____	_____
Policies	_____	_____	_____	_____	_____	_____
Advertising	_____	_____	_____	_____	_____	_____
Promotion	_____	_____	_____	_____	_____	_____

Business Planning	0	1	2	3	4	5
Exec Compensation	_____	_____	_____	_____	_____	_____
Owners Goals	_____	_____	_____	_____	_____	_____
Succession Plan	_____	_____	_____	_____	_____	_____
Business Plan	_____	_____	_____	_____	_____	_____
Outside Advisors	_____	_____	_____	_____	_____	_____
Authority Delegation	_____	_____	_____	_____	_____	_____
Clear Responsibilities	_____	_____	_____	_____	_____	_____
Clear Objectives	_____	_____	_____	_____	_____	_____
Quality Controls	_____	_____	_____	_____	_____	_____
Budgeting Systems	_____	_____	_____	_____	_____	_____
Variance Analysis	_____	_____	_____	_____	_____	_____
Cost Controls	_____	_____	_____	_____	_____	_____
Inventory Controls	_____	_____	_____	_____	_____	_____
Purchasing Controls	_____	_____	_____	_____	_____	_____
Production Efficiency	_____	_____	_____	_____	_____	_____
Planning	_____	_____	_____	_____	_____	_____
Job Costing	_____	_____	_____	_____	_____	_____
Capacity Utilization	_____	_____	_____	_____	_____	_____
Formal Credit Policy	_____	_____	_____	_____	_____	_____
A/P & A/P Policies	_____	_____	_____	_____	_____	_____

Accounting/Finance	0	1	2	3	4	5
Basic Accounting	_____	_____	_____	_____	_____	_____
Annual Budgets	_____	_____	_____	_____	_____	_____
Budget Analysis	_____	_____	_____	_____	_____	_____
Monthly P&L's	_____	_____	_____	_____	_____	_____
Departmental P&L's	_____	_____	_____	_____	_____	_____
Profit Level	_____	_____	_____	_____	_____	_____
Break-even Analysis	_____	_____	_____	_____	_____	_____
Cash Management	_____	_____	_____	_____	_____	_____
A/R Aging	_____	_____	_____	_____	_____	_____
Collection Procedures	_____	_____	_____	_____	_____	_____
A/P Aging	_____	_____	_____	_____	_____	_____
Purchasing Controls	_____	_____	_____	_____	_____	_____
Operating Reports	_____	_____	_____	_____	_____	_____
Flash Reports	_____	_____	_____	_____	_____	_____
Credit Line	_____	_____	_____	_____	_____	_____
Ratio Analysis	_____	_____	_____	_____	_____	_____
Return on Assets	_____	_____	_____	_____	_____	_____
Return on Equity	_____	_____	_____	_____	_____	_____
Return on Sales	_____	_____	_____	_____	_____	_____
Tax Planning	_____	_____	_____	_____	_____	_____

Computerization	0	1	2	3	4	5
Software	_____	_____	_____	_____	_____	_____
Hardware	_____	_____	_____	_____	_____	_____
System Age	_____	_____	_____	_____	_____	_____
Data Handling	_____	_____	_____	_____	_____	_____
Clerical Requirements	_____	_____	_____	_____	_____	_____
Employee Knowledge	_____	_____	_____	_____	_____	_____
Report Generation	_____	_____	_____	_____	_____	_____
Financial Reporting	_____	_____	_____	_____	_____	_____
Strategic Reporting	_____	_____	_____	_____	_____	_____
Management Use	_____	_____	_____	_____	_____	_____
Cost/Benefit Analysis	_____	_____	_____	_____	_____	_____