

**RG Stephens
& Associates
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**Owners
Questionnaire**

RG Stephens & Associates

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Date
Consultant Information
Name
Number
Office
Phone
Fax

Day of the Week
Method of Client Payment
<input type="checkbox"/> Check
<input type="checkbox"/> Cash
<input type="checkbox"/> *Other
*Approved By

Critical Documents List
<input type="checkbox"/> Historical Financial Statements - 5 Years <ul style="list-style-type: none"><input type="checkbox"/> Balance Sheet<input type="checkbox"/> Profit and Loss
<input type="checkbox"/> Tax Returns - 3 Years
<input type="checkbox"/> Bank Account Analysis Statements
<input type="checkbox"/> Manuals if Prepared <ul style="list-style-type: none"><input type="checkbox"/> Personnel<input type="checkbox"/> Operations<input type="checkbox"/> Business Plan<input type="checkbox"/> Sales Plan
<input type="checkbox"/> Direct Retirement Plans
<input type="checkbox"/> Personal Financial Information

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Age	6
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Introduction

In most small businesses, the owners spend 100% of their time deeply immersed in the daily struggle to maintain and operate a profitable enterprise.

Owners have little or no time to devote to the management mechanism that will insure not only profitable long-term growth but the more basic goal of business continuation.

In its simplest form, the management mechanism must focus on controlling and developing the following business components:

- Personnel
- Sales and Marketing
- Business Operations and Planning
- Accounting and Finance
- Computerization

It is necessary for each of these components to support each other to help assure that the company will be managed and directed to maximize its competitive advantage.

General

Client Name	_____
Title	_____
Telephone	_____
Fax Number	_____
E- Mail Number	_____

Company Legal Name _____ “Doing Business As ...” _____
 State of Incorporation _____ Employer ID Number _____
 Date of Incorporation _____ SIC Code[s] _____

Company Organization
<input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Partnership
<input type="checkbox"/> Limited Partnership
<input type="checkbox"/> Subchapter “S” Corp.
<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Non- Profit Corp.
<input type="checkbox"/> Other

Shareholders

Name	Title	% Owned	Age

Buy Sell Agreements in Place? Yes No

Are any of the shareholders subject to personal tax greater then 36% Yes No

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Affiliated Companies

Name	Products/Services	% Owned	Date Acquired

When was company founded

By Whom

Why

Explain Operations

Vision

Mission

Goals

Still there

Yes

No

Why not

What is company's most urgent problem?

How long?

Affect on profits?

What have you done about it?

What will happen if you do nothing?

What three things would you most like to change NOW?

1.

2.

3.

Personnel

This area deals with the practices involved in the managing of the company's most important resource, its human resources. This is often referred to as personnel management. It deals with the functional areas of recruitment, selection, retention, development, assessment, motivation, and adjustment of personnel..

Employee Information

Total Number of Employees _____

Full Time _____

Part Time _____

Average Age of Employees

Old?

Young? [____] Age

Union

Yes No

Retirement Programs

Does the company currently maintain qualified or non-qualified retirement program?

Yes No

If Yes: retirement tax identification number _____

If Yes, Indicate type of plan

Employee Stock Option Plan

Defined Benefit

Money Purchase Pension Plan

SEP Plan

Salary Reduction SEP Plan

401-K

Profit Sharing

After Tax Savings

Employee Stock Option Plan

Are the plan investments trustee directed?

Yes

No

If directed, does the plan have a formal investment policy?

Yes

No

If directed, do you utilize an independent Investment Advisor?

Yes

No

Does the company maintain non-qualified deferred compensation programs? Yes No

What types are offered?

- Executive Dollar Split
- Group Term Life
- Supplemental Term Life
- Group Disability
- Executive Bonus
- Key Person

- Salary Continuation
- Buy/Sell or Disability Buyout
- "Carve out" Plan for Life and Term
- Individual Disability
- Private Pension

Accentuating and Organizing Human Assets

Remember You are renting a worker's behavior, not buying his/her soul! You have the right to expect professional and productive behavior on the job and the responsibility to create an atmosphere that fosters both!

Also ... Perfection is rarely, if ever, attainable. Strive for it, plan for it, but realize that both you and your employees will make mistakes. That's part of being human ... learn from them and don't repeat them.

1 2 3 4 5

Morale

Affects all areas of the company either positively or negatively. If morale is low, so will be productivity and efficiency.

Motivation

Is derived by MORE than money and ... cannot be positively directed by "fear."

Subordinate Development Yes No

Describe

Get to REALLY know the strengths and weaknesses of your people. Use the information to help them improve and to build your team.

Job Descriptions Yes No

Must give all employees a detailed definition of their jobs ... all the duties, responsibilities, and conditions required in the performance of their daily tasks.

Policies and Procedures Formal Informal

NOTE: Formal in all cases means IN WRITING! If an item is not in writing it does not exist!

Establish and communicate a code of conduct for your organization. Be clear about expected professionalism and work standards. Enforce and update.

Employee Meetings Yes No

When?

Listen for what is not being said and who is not saying it.

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	1	2	3	4	5
Employee Input	___	___	___	___	___
Benefits Package	___	___	___	___	___
Wage Levels	___	___	___	___	___
Salary Levels	___	___	___	___	___

Spend your time, money, and attention on your good people. Don't inadvertently reward poor performance.

Management Comp. -----

What do you get paid?

Management Meetings Yes No

Career Path _____

Jobs, functions, must be linked so that employees can see a defined path of advancement from one job to another if their performance meets or exceeds the criteria set forth. Without a career path visible, good employees will leave for better positions, and the company runs the risk of creating a staff that is complacent and unmotivated.

Pay for Performance Yes No

Performance is the key ... establish what you want and reward for compliance! The word INCENTIVE is critical. Pay for Performance will give incentives to people to produce results. Never speak in terms of BONUS ... always say INCENTIVE!

Pay for Performance aligns employee goals and company goals!

Suggestion Box Program Yes No

Find out what your employees need from you in order to get the job done. Also .. give them opportunity how to tell you how to do the job better!

Turnover -----

Hiring/Recruiting _____

Policy Yes No

Interviews must be structured and results oriented. The cost of hiring an employee who does not stay is too great to shortcut the process.

Terminating _____

When employees are not performing to agreed upon standards and have not reacted to coaching and training, counsel them to leave. If they don't leave on their own, terminate cleanly, quickly, and professionally. This must apply at all levels of employee.

Evaluating all Personnel

Performance Levels _____

Performance Objectives Yes No

People need to know what's expected and how they will be evaluated ... clearly. Feed back must be timely, regular, constructive, objective, and honest.

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Performance Reviews Yes No

Performance reviews are a continual process whereby management provides employees feedback on their performance against expectations and requirements. They must be formal and regular.

	1	2	3	4	5
Recognition	___	___	___	___	___

Express your gratitude for a job well done ... and mean it! People produce extraordinary results when they feel appreciated.

Encouragement	___	___	___	___	___
---------------	-----	-----	-----	-----	-----

Accountability	___	___	___	___	___
-----------------------	-----	-----	-----	-----	-----

Responsibility is the obligation to perform certain tasks or duties. Accountability is the monitored, controlled obligation to account for results. All members of the company are made accountable when their responsibilities are formalized, documented, and evaluated.

Planning for Business Transmission - Succession

Yes No

Ownership must always be aiming toward the point where they personally are no longer involved on a day-to-day basis in the company's operations. Whether the transition is to younger family members, trusted staff, or the sale to outside investors, the plan to enable the business to continue is crucial.

Company Requirements	___	___	___	___	___
----------------------	-----	-----	-----	-----	-----

Owners Goals	___	___	___	___	___
--------------	-----	-----	-----	-----	-----

Owners Plans	___	___	___	___	___
--------------	-----	-----	-----	-----	-----

The lack of a succession plan and the organization to support it will lead to employee uncertainty ... "What happens if the owner dies? The company will fall apart."

Managing Time and Delegation

Owner Delegation	___	___	___	___	___
------------------	-----	-----	-----	-----	-----

If authority doesn't equal responsibility, it's a setup for an employee to fail. When you hold people responsible for something, you must give them the authority to accomplish it ... and support their decisions.

Owner Time Management	___	___	___	___	___
-----------------------	-----	-----	-----	-----	-----

The most important managerial skill! Don't create lines outside your office.

Span of Control	___	___	___	___	___
-----------------	-----	-----	-----	-----	-----

This is often the most abused organizational aspect of small to medium sized businesses. A manager (owner) can only effectively supervise a limited number of subordinates properly and still accomplish his/her own responsibilities. If Span of Control is abused productivity of both managers and subordinates suffers.

Owner Communication	___	___	___	___	___
---------------------	-----	-----	-----	-----	-----

Realize that your words may carry more weight than you think, and there is a difference between what you say and what is heard. Choose your words with care!

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1 2 3 4 5

Owner Leadership _____

Unlike a family role or friendship ... managing isn't a natural role. You can't always be liked or popular, and it frequently isn't fun. This does not mean, however, you should not "care" about your people. Showing you care is different from being their "father."

Staffing and Workload Distribution

Staff and workload must balance so that there is the proper number of qualified personnel available to perform the work needed. Too little staff and productivity suffers, too much staff and time and money are wasted.

Staffing Levels _____

 Marketing _____

 Sales _____

 Accounting _____

 Production _____

Efficient Levels _____

Organized _____

Training

Training must come before an employee assumes a position and throughout their employment. When training ceases or does not exist employees become stale and limited in their growth.

Assessing Potential _____

Training Programs _____

 Management _____

 New Employees _____

 Cross Training _____

Self Development _____

Employees must be encouraged to better themselves through self-development. Self-development can be as simple as a company "reading library" of work related books to tuition reimbursement or company sponsored English lessons.

PERSONNEL

Recommended Actions:

- Develop transmission/succession plan for owner.

- Develop a complete personnel program to include:
 - Policies & procedures.
 - Methods for consistency and enforcement.
 - Organizational chart
 - Chain of command

- Develop Systems for Documentation & Reviews of Employees
- Create job descriptions and standards for all employees.
- Develop training program.
- Improve/formalize salary & incentive administration..
 - Pay Hold employees accountable for company achievement.
 - Provide staff incentives that do not increase costs.
 - Improve benefit package through increased profits.
 - Incentive plan based on profits.

- Create a strong middle management team.
- Review and evaluate present staff completely.
- Develop supervisors roles
- Improve communication at all levels of company.
- Outline role of general manger.

- Install Suggestion Box program.
- Develop and install Employee of the Month program.
- Develop program of regular, meaningful, employee meetings.

Sales and Marketing

This area deals with the development and pursuit of profitable business through professional sales and marketing strategies and the policies and procedures to support them. Strategic and tactical plans are needed not only to capture new customers but to insure that each sale results in the required profit and cash in the bank. The client company must be able to identify and sell top prospects; control the order process; satisfy and service customers; document the sales order properly; recap and evaluate the selling activity; control receivables; and expand to other market opportunities.

What are the company's prime market segments? [SIC Codes]

1.

2.

3.

4.

Who are the company's customers? [SIC Codes]

1.

2.

3.

4.

Why do customers buy from the company?

1.

2.

3.

4.

Who are the company's major competitors?

1.

2.

3.

4.

Advertising and Promotion

1 2 3 4 5

Effectiveness _____

Advertising must be persuasive and informational and be designed to influence the purchasing behavior and/or thought patterns of the buyer.

Promotional Mix -----

There are four types of "promotion" that support marketing. They are: advertising; personal (face-to-face) selling; publicity (non paid); and sales promotions (displays, trade shows etc.): allowances, coupons, contests, etc. They must all work in conjunction and be part of a MASTER MARKETING PLAN.

Credit and Collection

Credit and collection is the foundation of cash management. Policies and procedures in C & C need to be formally established and strictly adhered to by all personnel.

Policies Formal Informal

Control _____

Effectiveness _____

Customer Service

Customer Service is both a philosophy and a function. Successful companies have a Market Orientation that sets the company's MISSION and strongly establishes its customer orientation.

As a function, Customer Service is the department that responds to inquiries or complaints from customers. Customer service people must maintain goodwill between the company and its customers by: answering questions; solving problems; and providing advice.

Policies Formal Informal

Training Yes No

Mission Statement Yes No

Orientation:

 Market Yes No

 Production Yes No

Customer Questionnaires Yes No

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1 2 3 4 5
— — — — —

Order Entry

Is the process of entering order information into the production planning system. The most important objectives of order entry are speed and accuracy so that customers are serviced properly and promptly.

Most order entry systems in business today are computerized and allow for long and short term production planning, market analysis, and management planning.

Speed — — — — —
Accuracy — — — — —
Efficiency — — — — —

Pricing

Must be profit based and market oriented.

Pricing Policies Formal Informal
Job Costing — — — — —
Profitability — — — — —
 Computerized Yes No

Sales Organization

Size — — — — —
Present Volume — — — — —
Type _____
Structure _____
Compensation — — — — —
Time Management — — — — —
Territory Management — — — — —

Sales Supervision

“Even the best (salespeople) develop attitudes, habits, that destroy sales.”
- Tom Peters

Controls ---- ---- ---- ---- ----
Performance Reviews Yes No
Incentives — — — — —
 Quotas/Goals Yes No
Training — — — — —
 Meetings Yes No

Sales Strategies

How will sales insure company objectives met?

	1	2	3	4	5
Customer Growth	___	___	___	___	___
Customer Analysis	___	___	___	___	___

Strategic and Tactical Marketing Plans

Strategy - Management's plan or method for completing objectives; plan of procedures to be implemented.

Tactic - Short term method for resolving a problem or moving toward a goal.

Marketing Plan Yes No

Must be a formal written plan that details the company's marketing efforts and philosophies. The plan must cover the entire company and its products and must be updated as situations change. Updates may be quarterly as needed but should not be more frequent unless there have been MAJOR market factor changes.

Product Breadth	___	___	___	___	___
New Products	___	___	___	___	___
Distribution Methods	___	___	___	___	___
Competition Analysis	___	___	___	___	___
Profiles	___	___	___	___	___
Competitive Position	___	___	___	___	___
Market Share	___	___	___	___	___
Market Analysis	___	___	___	___	___
Prospect Analysis	___	___	___	___	___
Customer Analysis	___	___	___	___	___
Profitability	___	___	___	___	___
By Customer?	<input type="checkbox"/> Yes	<input type="checkbox"/> No			
By Job?	<input type="checkbox"/> Yes	<input type="checkbox"/> No			

Strategic and Tactical Sales Plans

Sales Plan Yes No

How sales will accomplish their role in marketing plan?

Goals	___	___	___	___	___
Sales Budget	___	___	___	___	___
<i>The estimated amount of anticipated sales allocated by product, territory, and/or salesperson; prepared daily, weekly, monthly, and annually.</i>					
Target Markets	___	___	___	___	___
Balance - Corp. Goals	___	___	___	___	___

SALES & MARKETING

Recommended Actions:

- Create sales and marketing plans to build company
 - Analyze company's current competitive position and build on strengths.
 - Program to develop incremental sales to existing customers.
 - Program to regain lost customers.
 - Plan for profitable identification and sales to top prospects.

- Establish sales forecasts and budgets.

- Develop effective advertising and promotion strategy.

- Review compensation & commission rates.
- Gain better control over sales people.
 - Set up necessary administrative procedures to control and monitor the sales efforts.
 - Focus on value added areas.
 - Create more selling time.
 - Improve closing rate.
- Develop sales management position.

- Enhance customer service procedures & monitor service satisfaction.
 - Develop and implement customer questionnaire.

- Review and upgrade credit and collection policies and procedures.
- Develop means to reduce receivables dramatically.

Business Operations and Planning

The control of business operations within the client company is essential to generating the needed profit and cash flow as well as meeting long-term business expectations. Key operating issues must be identified, planned for, and realized. A critical area that will be intricate in each program is the system designed to monitor, measure, and assign accountabilities for each operational area. Benchmarks will be established and the client company's future growth plotted and planned for.

“It’s called planning ... but it’s really just running a business.”

Walter R. Lovejoy.

Leadership's vision builds a firm's foundation, but it is not a shortcut from today to tomorrow. Goals must be set and arrived at through detailed planning, preparation, execution, and control.

Planning is the process of choosing a destination, evaluating the alternative ways to reach the goal, and deciding on the specific route to take in the achievement of the goal. Planning must involve all areas of management and be an orderly process that is performed on a continuing basis. Communication and staff involvement at all levels of planning are essential to success.

Accounts Receivable and Payable

Policies and Procedures	<input type="checkbox"/> Formal	<input type="checkbox"/> Informal			
	1	2	3	4	5
Aging	_____	_____	_____	_____	_____
Clear Responsibilities	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Who?	_____				

Budgeting Systems and Reports

Budgets are formal, written, and tracked statements of how the financial resources of the company will be allocated to carry out the goals of the company over a period of time. Budgets are the most widely used form of owner controls.

Budgeting Process					
Formal	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Departmental Participation	_____	_____	_____	_____	_____
Responsibility	_____	_____	_____	_____	_____
Variance Analysis	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Cost Controls	<input type="checkbox"/> Yes		<input type="checkbox"/> No		

Business Plan

A business plan is a formal, written summary of what you hope to accomplish by being in business and how you intend to organize your resources to meet your goals. It is essential to plan so that you can successfully operate your business and measure your progress along the way.

Planning forces you to think ahead realistically rather than optimistically.

Formal Yes No

Strategic Yes No

Look at the company in three time frames: past, present, and future. Be guided by your company's past, but don't let it run the organization ... learn from it and build upon it's strengths.

	1	2	3	4	5
Company Image	----	----	----	----	----

Business Goals and Objectives

Individual or organizational targets to be achieved within a particular span of time. THEY MUST BE FORMAL and transferred to the organization that will accomplish (reach) them.

Owners Goals ----

Company Goals -----

Once the goals and direction have been set ... don't stray unless absolutely necessary. Constancy is often better than constantly changing in search of a better route.

Management Involvement -----

Long Range Plans -----

Clear Objectives -----

Inventory Administration

Controls -----

Records -----

Reports -----

Responsibility -----

Performance Measurements -----

Planning -----

Management Process

Management is defined as “working with and through other people to accomplish the objectives of both the organization and its members.”

The management process involves the following:

1 2 3 4 5

Delegation _____

The essence of management is getting the required results through others by delegation ... doing things yourself is wasteful and counter productive to building and organization that is viable.

Planning -----

“Plans are nothing ... planning is everything.”

Dwight D. Eisenhower

Is the process used to determine organizational goals and how to achieve them.

Strategic _____

Set long term goals and broad guidelines for achievement. Address the company's basic business using broad statements of purpose that have a long lead time ...The company's Mission Statement!

Operational _____

Day-to-day planning! Lay out procedures to manage daily operations. Must be done by using (establishing) measurable targets, schedules, timetables, etc.

Ownership should not make decisions on these matters other than to change established policies or procedures when appropriate.

Setting Objectives _____

Controls & Monitoring _____

Performance Evaluation _____

Problem Solving _____

Management Style - Culture

Unless you are in the military, orders are not received well. People want to be respected and to exhibit participation and cooperation ... give them direction, not orders.

Management by

Exception -----

Crisis -----

Leadership _____

Employees reflect the attitudes, feelings, and viewpoints of their leader(s). But remember ... the world no longer recognizes the divine right of kings.

Vision _____

Be specific about your purpose and hold rigorously to that course once established!

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	1	2	3	4	5
Consistency	___	___	___	___	___
Skills	___	___	___	___	___
Management	___	___	___	___	___
Technical	___	___	___	___	___
Positive/Supportive	___	___	___	___	___

Develop a tolerance for ambiguity. The world is not black and white. Leadership is as much an art as a science.

Job and Product Costing

Estimating/Pricing	___	___	___	___	___
Standard Costs		<input type="checkbox"/> Yes		<input type="checkbox"/> No	
Actual Costs	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Break- even Used	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Profit By Job	<input type="checkbox"/> Yes		<input type="checkbox"/> No		

Office Management

Office Efficiency	___	___	___	___	___
Paperwork Flow	___	___	___	___	___
Use of Technology	___	___	___	___	___
Moral	___	___	___	___	___

Organizational Structure

Must be lean and simple but ... effective!

Functionally Proper	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Clear Responsibilities	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Clear Lines of Reporting	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Adaptability	___	___	___	___	___

Change is constant in every organization, and the individuals within it must be able to adjust.

Note: The Science of management has grown greatly over the last 20 years, and quantitative approaches have been developed by industry leaders to control production and operations. POM (Production and Operations Management) stresses statistical analysis and control to facilitate better planning, forecasting, scheduling and control of the company.

MIS (Management Information Systems ... the computer) is a critical tool here!

Operational Planning and Management

Clear and Defined Yes No

Contingencies Yes No

Defined Responsibilities Yes No

Production Planning and Management

	1	2	3	4	5
Production Efficiency	___	___	___	___	___
Delivery Response	___	___	___	___	___
Shipping	___	___	___	___	___
Receiving	___	___	___	___	___
Capacity Utilization	___	___	___	___	___

Purchasing Management

Policies and Procedures Yes No

Controls Yes No

Profitability Yes No

Quality Control

Policies and Procedures Yes No

Formal Informal

Concentrate on and produce quality in everything. The memory of quality (product and service) brings people and money back.

Benchmarks Yes No

Employee Involvement Yes No

Formal Yes No

Strategic Planning and Decision Making

Long Term Thinking Yes No

Personnel Considered Yes No

Business Operations and Planning

Recommended Actions:

- Establish a business plan, detailing all steps and responsibilities for obtaining corporate goals.
 - Corporate goals & objectives.
 - Corporate organization accountabilities to reach objectives.
 - Operational/profit plans to achieve stated goals.
 - Sales growth and supervision programs to achieve set targets.
- Create company's mission statement.
- Develop a realistic growth plan for the company and its management structure.

- Improve paper flow in office, eliminate duplication of effort, reduce redundant activities.
 - Define clear lines of reporting and authority.
 - Balance and streamline work loads.
- Review present job costing and estimating system.
 - Upgrade to insure all costs are captured.
 - Profitability insured.
- Review and upgrade materials and inventory controls as needed.
 - Develop inventory control procedures.

- Institute a closed loop set of controls to track actual costs.
- Strengthen production control, standards, & variance analysis.
- Design & position purchase order procedures.
- Establish effective ordering system.
- Develop systems to control inventory dollars/units.

Accounting & Finance

This area deals with the mechanism (system) that supplies the owners with the financial information needed to manage the client company in the short and long term. The areas covered and systematized are designed to give the owners accurate, timely, and simplified *management tools to aid in their decision making process.*

It must be noted that this area also deals with survival. Most small businesses do not go under because they are not profitable but rather because they lack capital and have poor cash management. These areas are of prime focus in Accounting programs.

Bank Accounts

Bank	Account Number	Type*	Purpose

- Account Types = Demand Deposit, Controlled Disbursement, Zero Balance, Money Market

Debt

Lender	Latest Year End Balance	Interest Rate	Remaining Term	Annual Fees	Facility Type

Cash Planning and Administration

Monthly P&L's	<input type="checkbox"/> Yes	<input type="checkbox"/> No			
By Department	<input type="checkbox"/> Yes	<input type="checkbox"/> No			
Monthly Balance Sheets	<input type="checkbox"/> Yes	<input type="checkbox"/> No			
	1	2	3	4	5
Executive Use	___	___	___	___	___
A/R Aging	___	___	___	___	___
Collections	___	___	___	___	___
A/P Aging	___	___	___	___	___

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Cost Controls

Annual Budget Yes No

Top Down - From Senior Management

Bottom Up - Prepared by Middle Management

	1	2	3	4	5
Budget Analysis	___	___	___	___	___
Departmental Involvement	___	___	___	___	___
Management Involvement	___	___	___	___	___

Accounting System

Basic System ___ ___ ___ ___ ___

Qualified Management ___ ___ ___ ___ ___

Advisors ___ ___ ___ ___ ___

Management Use ___ ___ ___ ___ ___

Break-even Analysis Yes No

Profitability ___ ___ ___ ___ ___

Tax Planning ___ ___ ___ ___ ___

Financial Management Reporting System

Operating Reports Yes No

Flash Reports Yes No

Ratio Analysis Yes No

Return on Assets ___ ___ ___ ___ ___

Investment ___ ___ ___ ___ ___

Sales ___ ___ ___ ___ ___

Financing

Credit Line ___ ___ ___ ___ ___

Structure of Debt ___ ___ ___ ___ ___

Accounting

Recommended Actions:

- Formalize all financial planning.
- Define role of company controller.
Hire and train.
- Establish budgeting system for all expense categories.
- Implement cost accounting budget, profit planning, and variance analysis.
- Review and upgrade computerized financials.
- Review and upgrade owner's formal cash flow planning system.
- Implement immediate cash management and cash flow planning.
- Establish basic double entry bookkeeping and accounting system.
Review all present systems and upgrade as needed.
Develop chart of accounts (or upgrade and add).
- Train office manager as company controller.
- Prepare bank presentation & assist owner in securing appropriate credit line.
- Evaluate present accounting firm.
- Establish standards to control costs.
- Develop & produce financial information internally & on a weekly/monthly basis.
- Analyze & streamline information flow to insure timely reporting.
- Formalize all financial policies & procedures and install appropriate controls & reporting.
- Generate information in a summarized manner focusing on those areas pertinent to maximizing cost control.
- Establish effective inventory management and control program to include purchasing, scheduling, item evaluation, sales analysis, turnover, & margins.

Computerization

This area deals with the use of the computer as a powerful tool to establish and/or intensify The client company's competitive advantage. While the computer is a "tool" rather than a discipline as the previous four sections are, it is such an important, time saving tool that its proper and strategic use in modern business is critical to maximize information access and profitable decision making.

Management Information Systems (MIS) represents the formal manner (method) by which management/ownership is given accurate and timely information about personnel, productivity, asset utilization, variances, and other critical data to facilitate decision making and the functional operations in all areas of the company. It is the a major component of a company's strategic advantage.

Evaluation of Existing System

Do you use the computer to control operation? Finance? Sales? Administration?

	1	2	3	4	5
Software	___	___	___	___	___
Types and Use	_____				
Hardware	___	___	___	___	___
System Age	___	___	___	___	___
Networked	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Daily Back-up	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Security Program	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Internet	<input type="checkbox"/> Yes		<input type="checkbox"/> No		
Data Handling	___	___	___	___	___
Clerical Requirements	___	___	___	___	___
Employee Knowledge	___	___	___	___	___
Report Generation	___	___	___	___	___
Financial Reporting	___	___	___	___	___
Strategic Reporting	___	___	___	___	___
Management Use	___	___	___	___	___
Remote Access	<input type="checkbox"/> Yes		<input type="checkbox"/> No		

COMPUTERIZATION

Recommended Actions:

- Determine all company, management, work flow, and information needs.
- Review current systems & software; recommend new systems/software as required.
- Interview & evaluate present software programmer.
- Implement necessary changes & upgrades to achieve full automation.
 - Design reports maximizing computer.
 - Train people on system.
- Develop and install order entry system to improve productivity.
- Improve MIS & reporting system.
- Explore EDI opportunities.

Benefits of Proposed Actions

- Enable company to achieve its potential.
 - Assure survival.
- Reduce workload of owner.
- Owner's time freed up for both personal & business priorities.
- Allow owner to have a clear future.
- Allow owner to function in position of choice.
- Improved quality of management decisions.
- Increase owner's personal net worth and income.
- Reduced stress.
- Lower monthly debt service.
- Eliminate guesswork regarding profitability and allow for better cash flow.
- Strengthen management.
- Provide direction for company growth.
 - Manage growth.
 - Benchmark growth.
- Avoid bypassing major opportunities.
- Improve bank & vendor relationships.
- Follow pre-established budgets, targets, and goals.
- Improved system of checks & balances in place.
- Early identification of problems to allow for proactive not reactive management.
- Improve financial controls.
- Improve cost and expense control.
- Reduce crises.
- Improved profitability.
- Improve financial & tax planning.
- Decreased costs.
- Smooth operations that create consistency in the company.
- Improved sales in all categories.
 - Increase market penetration.
 - Increase repeat & referral sales.

General Items

Do you have a will? Yes No

Do You have a trust? Yes No

Are you married? Yes No

Spouses age? _____

Total Life Insurance You _____ Spouse _____

Annual Income _____

Estimated Total Assets _____

Estimated Total Liabilities _____

ITEMS REQUIRED

- LAST FIVE YEAR FINANCIAL STATEMENTS**
- LAST 3 YEARS TAX RETURNS**
- BANK ACCOUNT ANALYSIS FOR MOST RECENT 3 MONTHS [FROM BANKER-DETAILS ALL FEES AND VOLUMES]**
- ALL INVESTMENT STATEMENTS**
- BUDGETS AND LONG TERM FINANCIAL PROJECTIONS**

Business Woes

- ⇒ out of 3 business startups will close the doors within 6 months.
- ⇒ out of 4 small to medium sized businesses will fail within 5 years.
- ⇒ out of 10 small to medium businesses will eventually close.

What can the entrepreneur lose?

Everything! Their savings, their family car and yes, even their home. But even worse than the material items, they can lose their self esteem. They can work hard again and recover from economic losses, but sometimes the loss of belief in ones self can be the worst to recover from.

Why the high failure rate?

Because they have to have knowledge of all of the activities in their business. They must be the CEO, Treasurer, production supervisor, marketing specialist, insurance expert, legal critic, etc.:. They may hire people to help them with these jobs but the buck stops on their desk. They have to be responsible for all of the decisions made in their company. And if they drop any of the balls they are juggling, they could be one of the above statistics.

The Difference? Business Knowledge!

The difference between success and failure in small business is **business knowledge!** They cannot fly by the seat of their pants anymore. That worked back in the days of "build a better mousetrap, " but not in the 90's and beyond they must have business knowledge to succeed.

The IIB, Corp strives to:

1. Reach these small business owners in need of assistance.
2. Make them aware of the training and support available.
3. Show them the value of learning and implementing what they learn.