

CIRCLE THE NUMBER BESIDE EACH CONDITION THAT EXISTS HERE:

- 1. There are too many or too few employees for a specific work assignment.
- 2. Jobs are performed in an illogical manner.
- 3. Quality Control is poor, resulting in an unacceptable amount of fixing and redoing.
- 4. Management performs routine tasks intended for less expensive employees.
- 5. Different employees need the same equipment at the same time.
- 6. Employees have to wait for assignments.
- 7. Required tools and equipment are not properly maintained.
- 8. Materials are not properly delivered or loaded up, requiring additional trips.
- 9. Instructions are unclear, and/or incomplete
- 10. Managers believe their actions cannot be improved.
- 11. Employees are not adequately supervised or motivated.
- 12. Managers think it is more important to be nice than effective.
- 13. Managers blame their poor performance on someone else.
- 14. There is reluctance to change even after it has been proven to be justified.
- 15. Employees are not fully aware of their responsibilities.
- 16. Company goals are unclear or unrealistic.
- 17. The company's activities are not conducted on a team basis.
- 18. Management is unable to measure performance.
- 19. Employees are not held accountable for their performance.
- 20. Motion is considered the same as accomplishment.
- 21. Working hard is considered working smart.
- 22. Managers are reluctant to make decisions.
- 23. Managers tend to procrastinate.
- 24. Activities of the company or departments are poorly planned.
- 25. Overtime is used as an incentive to get things done.
- 26. The company policies and procedures are not clear.
- 27. The company policies and procedures are not fairly and consistently enforced.
- 28. Employees fail to follow existing company policies or procedures.
- 29. More than one person is assigned (or completes) the same function.
- 30. Some functions are not assigned to anyone other than the owner.

HOW MUCH MORE PRODUCTIVE COULD YOUR EMPLOYEES BE? _____ %

WHAT PERCENTAGE OR NET PROFIT SHOULD THIS COMPANY MAKE? _____ %

Management Self-Assessment

Instructions: In each row of the sections that follow, circle the condition that best describes the current condition in your company.

SCORING OF SELF-ASSESSMENT:

Desired Condition <u>4 Points</u>	Average Condition <u>2 Points</u>	Weak Condition <u>0 Points</u>
You have pre-determined the results of the company and every position in it and all are being achieved.	You have no pre-determined results and the performance of the company is either good, bad, or ugly.	You are not getting results and don't really know why.
Effectiveness: High	Effectiveness: Lucky	Effectiveness: Ineffective

Left Column = 4 Points: A "Desired Condition" is when you "know what you are doing and you are getting results" the definition of Effective.

Center Column = 2 Points: An "Average Condition" is when you "don't really know why but you are getting results" the definition of Lucky.

Right Column = 0 Points: A "Weak Condition" is when you "are not getting results and don't know why" the definition of Ineffective.

This process is for your benefit; if the results are falsified through you not being 100% honest with yourself, then only you will miss the real value that can be attained from this process. The accuracy of the analyst's report to you depends upon the accuracy of the information received.

90 + Points	Effective Management
70 - 90 Points	Need for Improvement
50 - 70 Points	Ineffective Management
Below 50 Points	Severe Lack of Management Control

Section One:	Leadership	5 X 4 = 20	_____
Section Two:	Organizational Structure	8 X 4 = 32	_____
Section Three:	Cash Management	3 X 4 = 12	_____
Section Four:	Profit & Expense Controls	9 X 4 = 36	_____
Section Five:	Sales & Marketing	7 X 4 = 28	_____
Section Six:	Tax Planning, Exit Plan & Valuation	6 X 4 = 24	_____
Total Possible:		152	_____

MANAGEMENT SELF-ASSESSMENT

Instructions: In each row, circle the condition that, in your opinion, best describes the current conditions in the company.

SECTION ONE - LEADERSHIP

<u>DESIRED CONDITION</u>	<u>AVERAGE CONDITION</u>	<u>WEAK CONDITION</u>
Company's goals and direction are clearly defined and understood.	Company's goals and direction not clearly understood.	Lack of focus. No written goals or direction other than to carry on tradition.
Established procedures for constantly reviewing established plans.	Occasional consideration of the company's established plans.	Planning done under impulse.
Constantly reviewed financial plan, sales plan and organizational plans for accomplishing goals.	Existence of written financial plan, sales plan and organizational plan.	No written financial, sales or organizational plans.
Adequate reserves for replacement of assets in earmarked, liquid funds.	Depreciation reserves based upon allowable tax deductions.	Nominal reserves without regard to forecasted needs.
Established and executed Strategic Business Plan regularly revised.	Written Business Plan.	No formal business plan.

Section One: Leadership

Points: _____

SECTION TWO - ORGANIZATIONAL STRUCTURE

<u>DESIRED CONDITION</u>	<u>AVERAGE CONDITION</u>	<u>WEAK CONDITION</u>
Clearly established and constantly reviewed plan for employee recruitment, training, development and retention.	Some written plans for employee recruitment, training, development and retention.	No formal plan for employee recruitment, training, development or retention.
Salaries and wage rates clearly tied to level of responsibility assigned.	Most salaries and wage rates tied to performance.	Salaries and wage rates by personal opinion--raises to those who complain.
Annotated Organizational Chart is kept up-to-date and used.	Organizational Chart that is communicated to the employees.	No formal organizational chart.
Job Descriptions clearly communicate to employees the results, accountability and incentives involved.	Job Descriptions used and updated regularly.	No written Job Descriptions.
Regular employee reviews of performance against established standards.	Employees review done on regular basis and deliver some improvements.	No effective employee reviews.
Employee Manual is used by employees; regularly reviewed by the company attorney and executives.	Employee Manual has been reviewed by company attorney and in possession of all employees.	No Employee Manual.
Written Procedures are established allowing for seamless transitions.	Written Procedures exist for most functions.	No Written Procedures for operations.
High quality, low cost production for all products through effective workflow, scheduling, quality controls.	Good quality by lack of control over costs, work flow and/or scheduling.	Questionable quality.

Section Two: Organizational Structure

Points: _____

SECTION THREE - CASH MANAGEMENT

DESIRED CONDITION

AVERAGE CONDITION

WEAK CONDITION

Forecasts or cash flow provides 6-week and 6-month projections of cash and cash requirements.

Forecasting of cash limited to short-term.

No effective cash flow forecasting.

Purchasing of all materials centralized with effective purchase order system utilized.

Purchasing function well handled but lacks coordination.

Purchasing not centralized or coordinated.

Effective Receivable Management program from bid to collections.

Accounts Receivable regularly reviewed and consistent policies reviewed and enforced.

Receivables managed when the are out of control.

SECTION FOUR - PROFIT AND EXPENSE CONTROLS

<u>DESIRED CONDITION</u>	<u>AVERAGE CONDITION</u>	<u>WEAK CONDITION</u>
Job costing and tracking reports used weekly with clear assignment of responsibility for results.	Job costing and tracking reports produced and used regularly.	No regularly produced Job Costing or tracking reports.
Management utilizes a dynamic budget for control with variance reporting.	Budget process utilized to create a monthly and annual budget.	No use of Company Budget for cost controls.
Profit engineered, focused upon the company's reporting and actions.	Profit goals established and utilized.	Profit treated as a residual; that which is left over after operating expenses.
Pricing utilizes breakeven and revenue management.	Pricing based upon historical projections.	Pricing by old-fashioned "mark-up" or guessing.
Company has clearly established methods of true costs understanding, live pricing changes.	Company regularly reviews costs and up-dates pricing regularly.	Company reviews costs annually to up-date pricing.
Inventory levels monitored. Obsolescence, damage and theft controlled.	Inventory controls include preset order points and regular physical inventory.	Lack of control or plan for inventory.
Accounting and all reports provided in timely, accurate and usable format.	Accounting and reports provided regularly.	Accounting not used as a management tool.
Weekly monitoring of all key profit variables.	Reliance upon monthly profit and loss statements.	No timely review or profit variables or regular reports.
Constant monitoring of prices, cost of goods and overhead to maintain a pre-determined level of profit.	Monthly reports regarding cost of sales and overhead utilized in pricing.	No effective system for reviewing the balance between pricing cost of sales and overhead.

Section Four: Profit & Expense Controls

Points: _____

SECTION FIVE - SALES AND MARKETING

<u>DESIRED CONDITION</u>	<u>AVERAGE CONDITION</u>	<u>WEAK CONDITION</u>
Sales plan, budget and goals established and monitored by product, customer, salesperson and territory.	Basic sales plan, budget and goals.	No sales plan, budget or written goals.
Sales force trained and provided incentives to produce the results required in the company's Plan.	Sales force adequately trained and supported.	No formal training or support for sales persons.
Effective interaction between inside and outside sales forces for maximum effectiveness.	Use of both inside and outside sales regularly reviewed.	Ineffective relationship between inside and outside sales.
Market segment measured, defined and marketing budget effectively targeting proper customers.	Marketing Budget producing effective results.	No measure of market penetration or results.
Effective use of promotional dollars through effective tracking systems.	Solid return on promotional dollars.	Unknown return on promotional dollars.
Tasks are automated, tracked and refined at regular intervals to keep conversion rates on automated tasks at optimal levels.	Some automation of marketing tasks and tracking of important accounts accomplished.	No automation of sales and marketing objectives and tasks. No tracking of tasks throughout sales and marketing endeavors.
Effective utilization of internet lead generation.	Company has a functional website generating leads.	No lead generating web presence.

Section Five: Sales & Marketing

Points: _____

SECTION SIX - TAX PLANNING, EXIT, AND VALUATION

<u>DESIRED CONDITION</u>	<u>AVERAGE CONDITION</u>	<u>WEAK CONDITION</u>
Complete annual review of tax strategies for business resulting in minimum legal tax.	Basic tax planning done to the best of the local CPA's ability.	No tax planning done and/or excessive income taxes paid.
Complete exit strategy for owner developed and effective succession training in place.	Basic concepts of succession and exit developed and integrated into business plan.	No plan in place for exit of owner or succession of management.
Estate tax plan fully devised and implemented.	Basic estate tax strategies implemented.	No estate tax planning.
Value of the business has been established through objective third-party within the past 18 months.	Value of the business has been established through objective third-party in the past 36 months.	No valuation of the business has been completed.
Potential buyer of the business have been identified and exit strategies implemented.	Potential buyers of the business have been identified.	No plan for transitioning the ownership of the business.
Company is fully financed and not in need of additional financing as the full cost of anticipated growth has been established and covered.	Company has full financing for immediate needs.	Company is in need of additional working capital.

Section Six: Tax Planning, Exit Plan & Valuation

Points: _____