

BUSINESS REVIEW QUESTIONNAIRE

BACKGROUND

Business Structure

1. Details on the business structure and ownership.

2. Divisions the business is organised into and their location.

3. Details of directors and their background.

Personnel Structure

1. Organisational chart of the personnel structure.

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2. Who is in charge of each of the divisions of the business and what are their duties and responsibilities?

History

1. Brief background on the business (identify major milestones).

Description of Products and/or Services

1. What are the major products and/or services sold by the business?

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Market

1. What is the target market?

2. What share of the market do you estimate you have?

3. Who are your main competitors?

4. What are the major changes occurring in your industry and your market?

Financial

1. Review copies of the last 3 years financial statements.
2. What are the reasons for the financial results to date and your current financial position?

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ANALYSIS OF PRODUCTS AND/OR SERVICES

1. List the products and/or services which comprise 80% of your total sales in the last year (show sales turnover and percentage of sales for each product and/or service).

Product/Service	Sales Turnover	% of Total Sales
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

2. How do you cost each of your products and/or services?

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- 3a. For each product and/or service what is the gross profit in percentage and dollar terms in the last year?

Product/Service	Gross Profit (%)	Gross Profit (\$)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

- 3b. List the products and/or services which comprise 80% of your gross profit in the last year.

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4. What products and/or services are you considering discontinuing in the next 1 year, 3 years, 5 years?

5. What are your plans for adding/developing new products and/or services in 1 year, 3 years, 5 years?

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ANALYSIS OF MARKETS AND CUSTOMERS

PART 1 - MARKET ANALYSIS

1a. What are your current primary and secondary target markets?

1b. What are the primary and secondary markets that you want to target?

2a. How have you currently segmented your market?

Geographic

- Region
- City
- Density
- Climate

Demographic

- Age
- Gender
- Household size
- Household life cycle
- Income
- Occupation
- Education
- Nationality
- Religion

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Type of Customer

- Individual
- Small business
- Corporate
- Government
- Non profit

For Corporate and Small Business customers

- industry type
- size

2b. How will you segment the markets that you want to target?

3a. What is the estimated size of your current target markets?

3b. What percentage of these target markets do you have currently?

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3c. What is the estimated size of the target markets that you want to target?

3d. What percentage of these target markets that you want do you have currently?

4. Who are your competitors and what percentage of the markets do they have?

5. What are the strengths and weaknesses of your competitors?

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6. What trends are affecting your industry and your market?

- consumer trends
- economic trends
- government
- technology
- competition
- environment

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PART 2 - CUSTOMER ANALYSIS

1a. How do you analyse your customer base?

1b. For what purpose is the analysis done?

1c. How do you analyse customer profitability?

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1d. For what purpose is the analysis done?

2. List the customers which comprise 80% of your total sales in the last year and state the percentage of sales each customer represents.

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OPERATIONS

PART 1 - MARKETING AND SELLING

- 1a. Do you have a marketing plan?
- 1b. If yes, how do you review actual performance with the plan and what action is taken arising from the review?

- 1c. If you do not have a marketing plan, how do you monitor and control your marketing efforts?

- 1d. How are your products and/or services marketed currently?

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- 1e. What other ways could you market your products and/or services?
(Consider your competitors' marketing methods).

- 1f. Do you measure the cost effectiveness of different marketing expenditure?

- 2a. What factors influence the customer's decision to buy your products and/or services?

- 2b. What factors determine the frequency of purchase?

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3a. What is your selling process?

4a. How do you price your products and/or services?

4b. Do you monitor the prices charged by your competitors?

5. What is your customer loyalty or retention program?

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6. What do you do to distinguish your service to customers from your competitors' service (ie delight your customers)?

7. How do you keep in touch with your customers? (ie how do you nurture your customer base?)

8. How do you keep customers informed of developments in your products and/or services?

9. What systems do you have to gain referrals from existing customers?

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10. How do you handle complaints from customers?

PART 2 - OPERATIONS

1a. What are the current occupancy terms for the premises?

1b. Are the premises adequate for your current operations?

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- 1c. Would relocation to different premises improve the efficiency and effectiveness of your operations?

- 2a. For your normal working week how much of your operational capacity is utilised?

- 2b. At what stage do you need to consider expanding your operational capacity?

- 3a. What plant and equipment do you expect to acquire within 1 year, 3 years, 5 years and what is the estimated cost of that plant and equipment?

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- 3b. How up to date is your plant and equipment compared with your competitors' plant and equipment and plant and equipment currently available in the market place?

- 4a. What systems do you have in place for the control and security of your inventory?

- 4b. What systems do you have in place for monitoring your inventory levels?

- 4c. (i) What is your optimum level of stock holding in terms of days?

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(ii) What is your current level of stock holding in terms of days?

4d. What program is in place for the identification and disposal of slow moving and obsolete stock?

5. How do you distribute your products and/or services?

6. What methods of distributing your products and/or services may be more cost effective?

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PART 3 - HUMAN RESOURCES

1a. Is there a human resource plan which identifies the qualifications, skills and experience required by personnel currently, in 1 year, 3 years and 5 years?

1b. If no, how do you plan your personnel requirements?

2a. For key personnel is there a succession plan in place?

2b. How do you retain your key personnel?

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- 3a. How often are written staff appraisals performed which identify strengths and weaknesses and opportunities for career development?

- 3b. Do you reach written agreement with your employee on what action is needed to be taken on strengths and weaknesses identified in the appraisal and subsequent monitoring of the action taken?

4. Are training needs identified for each employee?

5. What incentive or award systems are in place for employees?

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6. For each business area how do you rate the performance of each key employee?

RATING

		Unsatisfactory	Satisfactory	More than Satisfactory
Business Area	_____			
Key Employees	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Area	_____			
Key Employees	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Area	_____			
Key Employees	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Area	_____			
Key Employees	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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PART 4 - FINANCE, INSURANCE AND LEGAL

- 1a. What are your current funding facilities and to what extent are they utilised at present?

- 1b. What are the current terms and conditions and renewal dates for the funding facilities?

- 1c. What is the ability of the business to fund further debt or obtain an increase in equity?

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2. What is the current and past performance for the financial ratios below?

<i>Current</i>	<i>1 Year Ago</i>	<i>2 Years Ago</i>
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Liquidity Ratio

Acid Test	$\frac{\text{Quick Assets}}{\text{Current Liabilities}}$			
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Profitability Ratio

Gross Margin	$\frac{\text{Gross Profit}}{\text{Net Sales}} \times 100/1$			
PBIT Margin	$\frac{\text{PBIT}}{\text{Net Sales}} \times 100/1$			
Net Profit Margin	$\frac{\text{Net Profit after Tax}}{\text{Net Sales}} \times 100/1$			
Return on Net Assets	$\frac{\text{PBIT}}{\text{Net Assets}} \times 100/1$			
Return on Equity	$\frac{\text{Net Profit after Tax}}{\text{Equity}} \times 100/1$			

Activity Ratio

Inventory Turnover Days	$\frac{\text{Inventory}}{\text{Cost of Sales}} \times 365$			
Creditor Days	$\frac{\text{Creditors}}{\text{Cost of Sales}} \times 365$			
Debtor Days	$\frac{\text{Debtors}}{\text{Sales}} \times 365$			

Leverage Ratio

Gearing Ratio	$\frac{\text{Long Term Loans} + \text{Current Liabilities}}{\text{Equity}} \times 100/1$			
Interest Cover	$\frac{\text{NPIT}}{\text{Interest}}$			

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3. What business insurance does the business have?

- fixed assets/inventory
- professional indemnity
- loss of profits
- key person
- directors' liability
- workers compensation
- public liability
- product liability

4. What legal actions (if any) are in progress or anticipated?

5. Are there any tax disputes with the Taxation Office?
