# THE SMALL BUSINESS MANAGEMENT AUDIT

## 1. Basic Planning

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### A. The company has a clearly defined vision and mission

1. There is a written vision and mission statement
2. The company is carrying out the mission
3. Employees understand and share the mission

### B. The company has a written sales plan

1. Target market has been identified
2. New product lines are continually developed
3. Targeted customers are being reached
4. Sales are on target

### C. The company has an annual budget

1. The budget is used as a guide
2. The budget is used as a control
3. Actual expenditures are compared against budgeted expenditures
4. Corrective action is taken when expenses are over budget
5. The budget is realistic

### D. The company has a pricing policy

1. Products or services are competitively priced
2. Prices are increased when warranted
3. New prices are placed on last-in goods when the price on old stock gets changed
## 2. Employees

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**A. Employees know what is expected of them**

1. Each employee has only one person to report to
   - Yes
   - No

2. Supervisors have authority that meets their responsibility
   - Yes
   - No

3. Employees are adequately trained
   - Yes
   - No

**B. Each employee has a job description**

1. Employees can accurately describe what they do
   - Yes
   - No

2. Work load is distributed fairly
   - Yes
   - No

3. Employees receive feedback on performance
   - Yes
   - No

4. Employees are rewarded for good performance
   - Yes
   - No

5. Employees are familiar with company policies
   - Yes
   - No

**C. Regular employee meetings are conducted**

1. Employees’ ideas are sought
   - Yes
   - No

2. An agenda is prepared and distributed
   - Yes
   - No

## 3. Advertising and Promotion

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**A. The owner has an advertising and promotion plan**

- Yes
- No

**B. The owner uses effective advertising and promotion**

- Yes
- No

**C. The owner uses effective merchandising techniques**

- Yes
- No

**D. The owner evaluates advertising and promotional efforts**

- Yes
- No