



## BUSINESS NEEDS ASSESSMENT

<b>Client Name:</b>		<b>Phone Number:</b>	
<b>Client Number:</b>		<b>Date Conducted:</b>	
LEGAL FORM OF OWNERSHIP			
<b>Under what form of ownership is the firm now operating?</b> <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> Corporation        Taxed as _____		<b>If more than one owner exists, does a buy/sell agreement or succession agreement exist?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Is unlimited liability a serious problem for the owner(s)?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Is there any reason to consider changing the legal form of organization?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Is the firm meeting its legal reporting requirements?</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No	
MARKET EVALUATION			
<b>Have sales been increasing or decreasing over recent years?</b> <input type="checkbox"/> Increasing rapidly <input type="checkbox"/> Increasing slowly but steadily <input type="checkbox"/> Staying the same <input type="checkbox"/> Decreasing rapidly <input type="checkbox"/> Decreasing slowly <input type="checkbox"/> Uneven: No pattern or trend		<b>Has the firm conducted any type of market research?</b> <input type="checkbox"/> Yes: What type and what are the results?  <input type="checkbox"/> No	
<b>Have there been any demographic factors or competitive factors that may dictate changes in the way the firm operates?</b> <input type="checkbox"/> Demographic <input type="checkbox"/> Competitive (Trends, Legal, Regulatory, etc.) <input type="checkbox"/> None		<b>At what stage is the industry in which this firm operates?</b> <input type="checkbox"/> Development <input type="checkbox"/> Introduction <input type="checkbox"/> Growth <input type="checkbox"/> Maturity <input type="checkbox"/> Decline	
<b>Does the firm have a written marketing plan?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>How has the firm positioned its products or services in relation to the competition?</b> <input type="checkbox"/> Low quality, low price <input type="checkbox"/> Low quality, high price <input type="checkbox"/> Medium quality, medium price <input type="checkbox"/> High quality, low price <input type="checkbox"/> High quality, high price	
<b>What market segments are being targeted?</b> <input type="checkbox"/> B2B <input type="checkbox"/> Product  <input type="checkbox"/> B2C <input type="checkbox"/> Service			
PRODUCT			
<b>With regards to your product service offering, how innovative are you?</b>		<b>Describe your quality tracking system.</b>	
<b>Describe your returns/guarantee policy.</b>		<b>Describe how you resolve customer disputes/complaints.</b>	

**SALES DEVELOPMENT**

<b>Does the firm generate enough sales volume to maintain its market position?</b> <input type="checkbox"/> More than adequate <input type="checkbox"/> Just enough <input type="checkbox"/> Not quite enough <input type="checkbox"/> Not nearly enough	<b>The firm's sales come from:</b> <input type="checkbox"/> Existing demand <input type="checkbox"/> Created demand
	<b>Are advertising objectives defined in measurable terms?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
	<b>Are promotional objectives defined?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Are the most effective direct and indirect sales promotion methods being utilized? (Check all that apply)</b> <input type="checkbox"/> Radio <input type="checkbox"/> TV <input type="checkbox"/> Direct Mail <input type="checkbox"/> Newspaper <input type="checkbox"/> Newsletter <input type="checkbox"/> Telemarketing <input type="checkbox"/> Trade shows <input type="checkbox"/> Internet <input type="checkbox"/> Other	<b>Is the firm's business dependent on a highly limited customer base?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
	<b>Does the firm have a customer feedback system in place?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>How does sales volume compare with the projected level of sales?</b> <input type="checkbox"/> Greater than projected <input type="checkbox"/> Less than projected <input type="checkbox"/> About the same	<b>What is the image of the firm in the community?</b> <input type="checkbox"/> Positive <input type="checkbox"/> Negative <input type="checkbox"/> Neutral <input type="checkbox"/> Other
	<b>Does the firm use the Internet?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <b>Used for:</b> _____
<b>Does the firm sell products or services to the Federal Government?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Does the firm sell products or services Internationally?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No    _____ percent of sales	

**SEASONAL VARIATIONS**

<b>Does the firm have seasonal sales?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Is inventory adjusted for seasonality?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Can additional merchandise lines or different products help even out the seasonal variations?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Are seasonal variations significant enough to warrant closing the business for part of the year?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No

**PRICING POLICIES**

<b>Is the gross margin of the firm consistent with industry norms?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Is slow moving merchandise identified and priced accordingly?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Do you monitor margins?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Is the firm's pricing affected by any of the following?</b> <input type="checkbox"/> Fair trade laws <input type="checkbox"/> Competitor pricing <input type="checkbox"/> Nationally advertised prices <input type="checkbox"/> Franchise agreements <input type="checkbox"/> Other
<b>Have margins compressed the past 5 years?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Are loss leaders used?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>How important is "low price" to your competitive advantage?</b> <input type="checkbox"/> Very <input type="checkbox"/> Somewhat <input type="checkbox"/> Not <input type="checkbox"/> Not sure	

**ADEQUACY OF ACCOUNTING RECORDS**

<b>Is there an accounting system in place?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>What does it contain?</b> <input type="checkbox"/> Accounts receivable <input type="checkbox"/> Accounts payable <input type="checkbox"/> Inventory/order entry <input type="checkbox"/> General ledger <input type="checkbox"/> Payroll	
<b>What accounting method is used by your firm?</b> <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid	<b>Does the company utilize any of the following? (Check those that apply)</b> <input type="checkbox"/> CPA <input type="checkbox"/> Outside bookkeeping service <input type="checkbox"/> Inside bookkeeper <input type="checkbox"/> Spouse doing bookkeeping <input type="checkbox"/> Other

<b>Are financial statements and other information generated on a timely basis?</b> <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annually <input type="checkbox"/> Annually <input type="checkbox"/> Without schedule <input type="checkbox"/> Not at all <input type="checkbox"/> Other	
<b>Is the accounting system computerized? If yes, what software is being used?</b> <input type="checkbox"/> Yes   Software _____ <input type="checkbox"/> No	<b>Are the financial statements regularly reviewed, analyzed and used to <u>manage</u> the business?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Are sales, cost of sales, expenses and profit being shown by department or product line?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Are the monthly adjusting entries (i.e. depreciation, amortization, interest, inventory) being made timely and in the proper amounts and in the proper places?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>FINANCIAL CONDITION</b>	
<b>Is quarterly financial statement ratio analysis being performed?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Does the firm account for obsolete inventory?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Is there a policy for writing off old accounts receivable?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Does the owner/manager know what the working capital requirements of the firm are?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>What is the firm's credit history?</b> <input type="checkbox"/> Excellent <input type="checkbox"/> Poor <input type="checkbox"/> Good <input type="checkbox"/> Don't know <input type="checkbox"/> Fair	<b>What is the trend of the firm's credit history?</b> <input type="checkbox"/> Improving <input type="checkbox"/> Stable <input type="checkbox"/> Getting Worse
<b>Has the firm experienced cash flow problems in the last six months?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Is the firm capitalized enough to survive a downturn in sales or other unforeseen events?</b> <input type="checkbox"/> Yes: there is more than enough capital <input type="checkbox"/> Some leverage exists but still below comfort level <input type="checkbox"/> No: the firm is highly leveraged
<b>Is the owner's compensation comparable to other firms in the industry?</b> <input type="checkbox"/> Above average <input type="checkbox"/> Average <input type="checkbox"/> Less than average	<b>Would additional asset acquisitions help this firm increase any of the following? (Check those that apply). If so, list them and the cost.</b> <input type="checkbox"/> Sales <input type="checkbox"/> Image <input type="checkbox"/> Profits <input type="checkbox"/> Customer service
<b>Does any of the following apply?</b> <input type="checkbox"/> All available purchase discounts taken <input type="checkbox"/> Creditors withholding credit due to slow paying <input type="checkbox"/> Long-term assets being financed properly <input type="checkbox"/> Operating expenses in line with other firms in the industry as compared to industry ratios	<b>What is the Average Days Accounts Payable?</b> Trend: Increasing, decreasing or the same.  <b>Are accounts payables current?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>RISK MANAGEMENT</b>	
<b>Has the firm's owner addressed any of the following security issues?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No  <b>Check those that apply.</b> <input type="checkbox"/> Shoplifting <input type="checkbox"/> Employee theft <input type="checkbox"/> Employee embezzlement <input type="checkbox"/> Burglary	<b>Which of the following types of insurance does the firm have?</b> <input type="checkbox"/> Fire <input type="checkbox"/> Automobile <input type="checkbox"/> Business interruption <input type="checkbox"/> Glass <input type="checkbox"/> Group life <input type="checkbox"/> Disability <input type="checkbox"/> Key-person <input type="checkbox"/> Credit life <input type="checkbox"/> Liability <input type="checkbox"/> Crime <input type="checkbox"/> Worker's Compensation <input type="checkbox"/> Rent <input type="checkbox"/> Group health <input type="checkbox"/> Retirement income <input type="checkbox"/> Natural Disaster <input type="checkbox"/> Other (explain) <input type="checkbox"/> Product & completed operations
<b>CREDIT POLICIES</b>	
<b>Does the firm have the capital to carry all of its receivables?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Has the firm compared the cost of alternative credit card programs?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <b>Factoring?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Are the accounts receivable aged on a regular basis?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>What is the Average Days Accounts Receivable?</b> Trend: Increasing, decreasing or the same.

<b>Is a formal collection policy in place?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Describe the write-off of bad debt.</b> <input type="checkbox"/> Realistic <input type="checkbox"/> Too high <input type="checkbox"/> Too low
<b>Describe your credit application procedures.</b>	<b>What types of credit accounts &amp; terms are available to customers?</b> <input type="checkbox"/> Credit cards <input type="checkbox"/> _____day terms <input type="checkbox"/> Early payment discounts <input type="checkbox"/> Revolving accounts
<b>PURCHASING AND INVENTORY CONTROL</b>	
<b>Does the firm have problems with any of the following?</b> <input type="checkbox"/> Shortages <input type="checkbox"/> Back orders <input type="checkbox"/> Changing prices	<b>Is there a system for determining any of the following?</b> <input type="checkbox"/> Minimum inventories <input type="checkbox"/> Order points <input type="checkbox"/> Order quantities
<b>Are policies in place dictating who is authorized to purchase goods or services?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Is inventory computerized?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No  <b>What is the Average Days Inventory?</b> Trend: Increasing, decreasing or the same.
<b>Have potential vendors been checked to verify that they can meet price, quality, quantity, and service requirements?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Does the firm purchase at a volume that would allow buying direct from manufacturers rather than middlemen?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe your approach to negotiating with vendors.</b>	
<b>Do you conduct an ABC analysis by product?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Are your inventory levels based on this concept?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>COMPLIANCE</b>	
<b>Check “ v “ any of the following with which the firm is out of compliance or a “D” if you don’t know.</b> <input type="checkbox"/> IRS: federal income tax <input type="checkbox"/> FICA <input type="checkbox"/> State income tax <input type="checkbox"/> SUTA <input type="checkbox"/> State Workers Comp. <input type="checkbox"/> State payroll withholding <input type="checkbox"/> State sales tax <input type="checkbox"/> EPA <input type="checkbox"/> Any federal fines or levies <input type="checkbox"/> Federal Workers Comp. <input type="checkbox"/> Federal payroll withholding tax	<b>Is the firm current with existing lenders?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <b>If no, list lenders and past due amounts:</b>
<b>PERSONNEL MANAGEMENT</b>	
<b>Describe how you acquire and retain talented personnel.</b>	<b>Describe how you use financial incentives with employees.</b>
<b>Has there been turnover of key employees?</b> <input type="checkbox"/> Yes    If so, why? _____ <input type="checkbox"/> No	<b>Is there an observable pattern or recurring reason given for resignations?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Is there a written personnel manual?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Do employees know company policies?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No

<b>Are there incentives for employees to seek advancement?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Does the firm provide training or orientation for new employees?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Do opportunities exist for employees to cross-train or work at other positions in the firm?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Do the employees consider this firm a good place to work?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Are pay scales and/or benefits consistent with firms in the area?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Are employees provided performance evaluations on a regular basis?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No

**MANAGEMENT**

<b>Describe your leadership style.</b>  	<b>What are your sources of innovation?</b> (product, service, customer, employee, etc.)  
<b>Describe your team of experts (paid and unpaid).</b>  	<b>Are you concerned about being sued by employees, customers or vendors?</b>  

**IMPACT ANALYSIS**

Start with the oldest year (left to right)	200__	200__	200__
<b>Gross Sales</b>	\$ _____	\$ _____	\$ _____
<b>Sales Growth</b>	_____ %	_____ %	_____ %
<b>Gross Profit %</b>	_____ %	_____ %	_____ %
<b>Operating Expense %</b>	_____ %	_____ %	_____ %
<b>Net Profit %</b>	_____ %	_____ %	_____ %
<b>Full Time Employees</b>			
<b>Part Time Employees</b>			
<b>Jobs Saved Full Time</b>			
<b>Jobs Saved Part Time</b>			
<b>Loan Requested</b>	\$ _____	\$ _____	\$ _____
<b>Loan Approved</b>	\$ _____	\$ _____	\$ _____
<b>Equity Injected</b>	\$ _____	\$ _____	\$ _____

**NOTES**