



**NORTH TEXAS SMALL BUSINESS DEVELOPMENT
CENTER
SMALL BUSINESS NEEDS ASSESSMENT**

Prepared by: _____
Business Advisor: _____

PLEASE USE BLUE OR BLACK INK

BUSINESS NEEDS ASSESSMENT	
Client Number: _____	
LEGAL FORM OF OWNERSHIP	
Under what form of ownership is the firm now operating? <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> S Corporation	If more than one owner exists, does a buy/sell agreement or succession agreement exist? <input type="checkbox"/> Yes <input type="checkbox"/> No
Is unlimited liability a serious problem for the owner(s)? <input type="checkbox"/> Yes <input type="checkbox"/> No	Is there any reason to consider changing the legal form of organization? <input type="checkbox"/> Yes <input type="checkbox"/> No
If the firm is a corporation, is it meeting its legal reporting requirements? <input type="checkbox"/> Yes <input type="checkbox"/> No	
MARKET EVALUATION	
Have sales been increasing or decreasing over recent years? <input type="checkbox"/> Increasing rapidly <input type="checkbox"/> Increasing slowly but steadily <input type="checkbox"/> Staying the same <input type="checkbox"/> Decreasing slowly <input type="checkbox"/> Decreasing rapidly <input type="checkbox"/> Uneven: No pattern or trend	Has the firm conducted any type of market research? <input type="checkbox"/> Yes: What type and what are the results? <input type="checkbox"/> No: Why not?
Have there been any demographic factors or competitive factors that may dictate changes in the way the firm operates? <input type="checkbox"/> Demographic <input type="checkbox"/> Competitive <input type="checkbox"/> None	At what stage is the industry in which this firm operates? <input type="checkbox"/> Development <input type="checkbox"/> Introduction <input type="checkbox"/> Growth <input type="checkbox"/> Maturity <input type="checkbox"/> Decline
Does the firm have a written marketing plan? <input type="checkbox"/> Yes <input type="checkbox"/> No	How has the firm positioned its products or services in relation to the competition? <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
What market segments are being targeted? 	

SALES DEVELOPMENT

Does the firm generate enough sales volume to maintain their market position?

- ☐ More than adequate
☐ Just enough
☐ Not quite enough
☐ Not nearly enough

Does the firm's sales come from:

- ☐ Existing demand
☐ Created demand

Are advertising objectives defined in measurable terms?

- ☐ Yes
☐ No

Are the most effective direct and indirect sales promotion methods being utilized? (Check all that apply)

- ☐ Radio
☐ TV
☐ Newspaper
☐ Newsletter
☐ Trade shows
☐ Other

Is the firm's business dependent on a highly limited customer base?

- ☐ Yes
☐ No

Does the firm have a customer feedback system in place?

- ☐ Yes
☐ No

How does sales volume compare with the projected level of sales?

- ☐ Greater than projected
☐ Less than projected
☐ About the same

What is the image of the firm in the community?

- ☐ Positive
☐ Negative
☐ Neutral
☐ Other

Are the advertising, sales and marketing expenses tied to sales volume?

- ☐ Yes
☐ No

SEASONAL VARIATIONS

Does the firm have seasonal sales?

- ☐ Yes
☐ No

Is inventory adjusted for seasonality?

- ☐ Yes
☐ No

Can additional merchandise lines or different products help even out the seasonal variations?

- ☐ Yes
☐ No

Are seasonal variations significant enough to warrant closing the business for part of the year?

- ☐ Yes
☐ No

PRICING POLICIES

Is the gross margin of the firm consistent with industry norms?

- ☐ Yes
☐ No

Is slow moving merchandise identified and priced accordingly?

- ☐ Yes
☐ No

Are loss leaders used?

- ☐ Yes
☐ No

Does the company conduct a break-even on its products?

- ☐ Yes
☐ No

Is the firm's pricing affected by any of the following?

- ☐ Fair trade laws
☐ Nationally advertised prices
☐ Franchise agreements
☐ Competitor pricing
☐ Other:

ADEQUACY OF ACCOUNTING RECORDS

Which accounting method does the firm use? <input type="checkbox"/> Cash based <input type="checkbox"/> Accrual based <input type="checkbox"/> Hybrid	Does the company utilize any of the following? (Check those that apply) <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:
Is there an accounting system in place? If so, what does it contain? <input type="checkbox"/> Accounts receivable <input type="checkbox"/> Accounts payable <input type="checkbox"/> Inventory/order entry <input type="checkbox"/> General ledger	Are financial statements and other information generated on a timely basis? <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
Is the accounting system computerized? If so, what software is being used? <input type="checkbox"/> Yes <input type="checkbox"/> No	Are the financial statements regularly reviewed and analyzed? <input type="checkbox"/> Yes <input type="checkbox"/> No
Can sales, cost of sales, expenses and profit be shown by department or product line? <input type="checkbox"/> Yes <input type="checkbox"/> No	Are monthly adjusting entries (i.e. Depreciation, amortization, interest) being made timely and in the proper amounts and in the proper places? <input type="checkbox"/> Yes <input type="checkbox"/> No

FINANCIAL CONDITION

Is monthly or quarterly financial statement ratio analysis being performed? <input type="checkbox"/> Yes <input type="checkbox"/> No	Does the firm account for obsolete inventory? <input type="checkbox"/> Yes <input type="checkbox"/> No
Is there a policy for writing off old accounts receivable? <input type="checkbox"/> Yes <input type="checkbox"/> No	Does the owner/manager know what the working capital requirements of the firm are? <input type="checkbox"/> Yes <input type="checkbox"/> No
What is the firm's credit history? <input type="checkbox"/> Excellent <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor	What is the trend of the firm's credit history? <input type="checkbox"/> Improving <input type="checkbox"/> Getting Worse
Has the firm experienced cash flow problems in the last six months? <input type="checkbox"/> Yes <input type="checkbox"/> No	Is the firm capitalized enough to survive a downturn in sales or other unforeseen events? <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
Is the owner's compensation comparable to other firms in the industry? <input type="checkbox"/> Excessive <input type="checkbox"/> Average <input type="checkbox"/> Less than average	
Do any of the following apply? <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 with long-term sources of capital <input type="checkbox"/> Operating expenses in line with other firms in the industry as compared to RMA ratios	Would additional asset acquisitions help this firm increase any of the following? (Check those that apply. If so, list them and the cost.) <input type="checkbox"/> Sales <input type="checkbox"/> Profits <input type="checkbox"/> Image <input type="checkbox"/> Customer service

RISK MANAGEMENT

Has the firm's owner addressed any of the following security issues? (Check those that apply)

- ☐ Shoplifting
- ☐ Employee theft
- ☐ Employee embezzlement
- ☐ Burglary
- ☐ Yes
- ☐ No

Which of the following types of insurance does the firm have?

- ☐ Fire
- ☐ Automobile
- ☐ Business interruption
- ☐ Glass
- ☐ Group life
- ☐ Disability
- ☐ Key-person
- ☐ Credit life
- ☐ Liability
- ☐ Worker's Compensation
- ☐ Crime
- ☐ Rent
- ☐ Group health
- ☐ Retirement income
- ☐ Product & completed operations

CREDIT POLICIES

Does the firm have the capital to carry all of their receivables?

- ☐ Yes
- ☐ No

Has the firm compared the cost of alternative credit card programs?

- ☐ Yes
- ☐ No

Are the accounts receivable aged on a regular basis?

- ☐ Yes
- ☐ No

Is a formal collection policy in place?

- ☐ Yes
- ☐ No

What types of credit accounts & terms are available to customers now?

- ☐ Credit cards
- ☐ _____ day terms
- ☐ Early payment discounts
- ☐ Revolving accounts

Check which of the following describes the write off of bad debt.

- ☐ Realistic
- ☐ Too low
- ☐ Too high

PURCHASING AND INVENTORY CONTROL

Does the firm have problems with any of the following?

- ☐ Shortages
- ☐ Back orders
- ☐ Changing prices

Is there a system for determining any of the following?

- ☐ Minimum inventories
- ☐ Order points
- ☐ Order quantities

Are policies in place dictating who is authorized to purchase goods or services?

- ☐ Yes
- ☐ No

Is inventory computerized?

- ☐ Yes
- ☐ No

Have potential vendors been meet with and investigated to verify that they can meet price, quality, quantity and service requirements?

- ☐ Yes
- ☐ No

Does the firm purchase at a volume that would allow buying direct from manufacturers rather than middleman?

- ☐ Yes
- ☐ No

COMPLIANCE

Check any of the following with which the firm is out of compliance.

- ☐ IRS: federal income tax
- ☐ FICA
- ☐ Federal Workers Compensation
- ☐ Federal payroll withholding tax
- ☐ Any federal fines or levies
- ☐ State income tax
- ☐ SUTA
- ☐ State Workers Compensation
- ☐ State payroll withholding
- ☐ State sales tax

Is the firm current with existing lenders?

- ☐ Yes
- ☐ No

If no, list lenders and past due amounts:

Are accounts payables current?

- ☐ Yes
- ☐ No

PERSONNEL MANAGEMENT

Has there been turnover of desirable employees?

- ☐ Yes: if so, why?
- ☐ No

Is there an observable pattern or recurring reason given for resignations?

- ☐ Yes
- ☐ No

Is there a written personnel manual?

- ☐ Yes
- ☐ No

If not, do employees know company policies?

- ☐ Yes
- ☐ No

Are there incentives for employees to seek advancement?

- ☐ Yes
- ☐ No

Does the firm provide training or orientation for new employees?

- ☐ Yes
- ☐ No

Do opportunities exist for employees to cross-train or work at other positions in the firm?

- ☐ Yes
- ☐ No

Do the employees consider this firm a good place to work?

- ☐ Yes
- ☐ No

Are pay scales and/or benefits consistent with larger firms in the area?

- ☐ Yes
- ☐ No

IMPACT ANALYSIS			
Start with most recent year	20 ____	20 ____	19 ____
Gross Sales	\$ _____	\$ _____	\$ _____
Gross Profit %	_____ %	_____ %	_____ %
Operating Expense %	_____ %	_____ %	_____ %
Net Profit %	_____ %	_____ %	_____ %
Full Time Employees			
Part Time Employees			
Loan Requested	\$ _____	\$ _____	\$ _____
Loan Approved	\$ _____	\$ _____	\$ _____
Market: In State	_____ %	_____ %	_____ %
Out of State	_____ %	_____ %	_____ %
International	_____ %	_____ %	_____ %
NOTES			

BUSINESS SKILLS ASSESSMENT

BUSINESS SKILLS AREA	OK	NEED SOME HELP	REALLY NEED HELP	COMMENTS
The Business Plan Organization:				
Financial Analysis				
Loan Assistance				
Inventory				
Cash Flow Management				
Market Analysis				
Competition Analysis				
Marketing Plan				
Price				
Customer Service				
Sales				
Management Organization				
Public Relations				
Compliance:				
Taxes				
Regulations				
Licensing				
Other:				
Knowledge of the Industry				
Business Location Analysis				
Managing Customers, Credit and Collection				
Obtaining Technical Assistance				
Legal issues				

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