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Key Strategy Questions & Mini-Business Assessment

By

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Here's a set of questions that I put together a few years ago as a training aid for new consultants. This was sort of a "cheat sheet" for finding areas where clients needed to perform better. In other words, this helped them find consulting projects. But, this could be used equally well by an internal team. It makes an excellent team assignment.

Priority # 1: Profitability & Revenue

1. Are margins and profits at desired/target levels?
2. Are revenues growing?
3. Are new sales as profitable as past sales?
4. Is cash flow adequate to reward owners/stockholders, cover expenses, service debt, invest in R&D, maintain a skilled workforce, and pursue continuous improvement efforts?

Priority # 2: Ability to Compete

1. Is the company or business unit in the top 20% of their industry/niche in the following categories? (If YES, provide statistics/measures for each. If NO, define targets for each. If there are no measures, they should be established and captured immediately.)
    a. Order fulfillment lead-time
    b. Customer satisfaction
    c. On-time delivery
    d. Time required to develop and introduce new products/features
2. Are products/services price-competitive?
3. Is the company gaining on the competition, or are competitors taking market share or threatening the customer base?
4. Is the company winning as many bids/competitive situations or closing as many new sales as required/targeted?

Priority # 3: Operations Performance

1. Are resources working overtime to meet customer demand? Are deliveries/services late? Are resources overworked/stressed?
2. Are there process or flow bottlenecks that regularly or periodically impact the ability to meet customers' service and product delivery demands and expectations?
3. Has there been a significant (15% or more) reduction in Cost-Of-Goods-Sold (COGS) or Cost-of-Services-Delivered (COSD) over the past several quarters?
4. Has the company been able to significantly (50% or more) improve service, delivery, product, and/or process quality over the past several quarters?
5. Has there been a significant (50% or more) increase in responsiveness to customer demand over the past several quarters? (The time it takes to respond to customer requests.)