

# Your Mid-Year Business Check-Up Rx

## Eight Strategies to Assess Your Financial Goals

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No matter where you are in your year-cycle, now is a good time to pull out your Master Plan for this year and see how you're doing. If you haven't created it, this is the second appropriate time to do so.

There are many areas to look at when assessing your business goals. Some goals can be simply to get more exposure: to your company, to your current products and services, or to something new that you have rolled out. Another goal can be more traffic to your website, or even updating your website to more accurately reflect your current company status. The bottom line is: what are you doing on a planned, consistent basis, to get more company exposure, increase your market share and increase your net operating income?

In this first article of the **Your Mid-Year Business Check-Up Rx** series, we will discuss your financial assessment strategies. What financial areas should you look at? Are you where you want to be right now financially? Where do you need to go to reach your financial year-end goals?

### Follow These 8 Strategies To Assess Your Financial Goals:

**1. Budget:** How often do you inspect and review your budget? The more often you do it and the more aware of your financial status you are, the quicker it will be to assess at your mid-year review. When you are doing comparisons, do you compare this month to the same month last year, and year-to-date to year-to-date?

**2. Current vs. Last Year:** This is, perhaps, the easiest information to gather and the one that will show the starkest reality. Are your sales up or down? How has fuel cost affected your bottom line? Have your margins increased or decreased? How do your expenses compare with last year? Are your organizations giving you the return on your investment that you are satisfied with? Can you logically justify all additional expenses?

**3. Capital Expenditures:** Have you had any this year? Should you anticipate this for the remainder of the year? Look over your equipment: has regular maintenance been performed? Are there any pieces getting to the end of their life cycle? Do you know the condition of each piece? Have you developed your capital expenditure plan for next year? Do you know what you need to do to have the funds available to make it happen?

**4. Holiday/High Traffic Periods:** Have you begun preparing for any holiday and heavy traffic periods? Summertime and the holidays can have a tremendous boost on your bottom line, but only if you are effectively prepared. Have you adjusted all your expenses for that increased traffic?

**5. Trends:** Are there any trends you need to be aware of, either on the local, regional or national level? What in your facility will these trends affect?

**6. Profit/Loss:** Now is the time to adjust your P&L reports to reflect actual rates; new forecasts are a priority as emphasis shifts away from budgets and on to actuals. Are you prepared for the cost of fuel rising daily?

**7. Cash Flow:** What will the effect on your cash flow be if you collect your accounts receivables one day earlier? Do you have the formula for that? Many times, it can make a substantial difference in your cash on hand dollars.

**8. Business Metrics:** Inspect your business metrics: are they reflecting where you should be, or does your company need to make changes? Your metrics can include product and service value, rating client relationships and measuring employee satisfaction and dedication. If so, what changes? What other metrics are important to your operation? Do you read your local business journal to keep abreast of your local economy, in addition to industry publications?

Now is a good time to get your staff and/or your employees together to review all the above items. Working on the front lines day in and day out, they probably have ideas to improve the financial end of the business that you, as the manager, would never think of.

In the next three articles of this series we will discuss people, marketing, and trade shows. What should you consider when assessing your employees' place in your business plan. Where is your marketing plan and what adjustments should be considered to reach your goals? Are you getting what you need from your participation in trade shows?

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