

# Business Improvement Checklist



## Management

In these challenging times it is important that your business is doing everything it can to maximise its potential. With this in mind we have created the Business Improvement Checklist as a step by step guide to improving all areas of your business.

## Customers

## Cash

## Costs

## Opportunities

### Management

- Review all budgets and reset targets more realistically for the next 12 months and update monthly.
- Review products and services currently offered and **drop** those that are unprofitable or not core to the future game plan.
- Redefine key performance indicators and decide which to measure daily or weekly such as:
  - Sales leads generated and number converted
  - Orders supplied/fulfilled
  - Cash balance
  - Stock turnover
  - Debtor days
  - Gross profit
  - Net profit
- Review efficiency of current activities and consider alternatives such as outsourcing locally or overseas.
- Pull everyone together and explain the game-plan and get their further ideas and buy-in and get them thinking about opportunities old and especially new that we should be alert to.

### Customers

- Get rid of any remaining can't pay / won't pay customers.
- Put extra effort into making sure your relationships with your better customers are solid.

### Cash

- Review debtors list and chase up overdue invoices.
- Consider offering existing debtors extended payment terms and / or settlement discounts.
- Make sure your terms of business contain explicit payment terms.
- Clarify individual responsibility for invoicing and collections.
- If appropriate, review banking facilities and discuss future needs.

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## Costs

- Agree extended payment terms with all suppliers in advance (if appropriate).
- Review and flow chart each of the main processes business and challenge the need for each step.
- Encourage team members to suggest ways to streamline and simplify processes (e.g. sit down and brainstorm about efficiencies and cost reduction).
- Use 'bottom up' budgeting where everyone in the office gives input on areas over which they have partial or full control - target a 10% cost saving.
- Review your staffing needs over the next 12 months imaginatively against various external scenarios; get all staff to be alert to potentially significant small happenings or trends

## Opportunities

- strike when your opponent is weak.
- review how much of current business has been responsive or reactive and what new skills and processes we need to be genuinely and persistently proactive.
- new ways of working being adopted by others - how can we help?
- new markets - unmet needs where shortages have never really been satisfied, old needs that are beginning to matter again
- new ways of thinking - look at unused or surplus resources of all kinds as starting points for generating ideas for new possibilities
- draw a picture of the world of a key kind of current customer and then of one of their key customers to show the 360 degrees of their world and then what is likely to be changing there
- change yourself
- find better ways of showing quickly that you have listened very carefully and really do understand the world of the potential client
- new ways of working - for ourselves
- outsource non-core activities
- opportunities arising from people acquiring their freeholds and thus no longer being tenants
- identify and take on non-core activities for others as a definite new line of business for ourselves
- use the climate of change to acquire new clients who may be more receptive currently through their challenging of every aspect of the way they do things
- understand and manage the cost of change and get used to the idea of it becoming continuous though the pace may fluctuate
- recruit newly mobile / available high quality candidates
- select better clients from faltering or vanishing competitors
- examine cross-selling opportunities watching out for downside aspect too
- seek crumbs from table of larger competitors
- go back to past enquirers and lost clients systematically
- track people leaving existing clients and other organisations known well
- scope for acquiring new customers as current climate exposes poor service by existing provider
- larger competitors can become vulnerable, worried, careless so there are opportunities to harvest what they lose
- scope arising from selective increases in public spending - are we looking in the right places?

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- scope from government attempts to get consumers spending again - are we getting / keeping close to the right kind of organisations?
- opportunities because people are seeking to become more self-reliant and less vulnerable to the difficulties of others
- scope for increasing market share as competition drops away
- take advantage of very cheap stock or supplies and use these to gain access to a new market which might have otherwise been impossible to enter
- get all staff and other allies to keep updating list of different kinds of recession proof activities
- opportunities arising from changes in legal and other formal requirements e.g relating to energy, health and safety, governance, risk-management
- offer services to big organisations that are less agile than ourselves whom we might never have envisaged as customers
- approach ailing businesses while there is still something left on which you might be able to work together before it is too late

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