



# **\$ Profit Builders Inc.**

## **C** BUSINESS **CONSULTANT**

*Good solutions for your business!*

Helping You Out-Think, Out-Perform and  
Out-Earn the Competition-Risk Free & Guaranteed!

### **Opening Questionnaire Analysis**

**Dear Business Owner,**

By answering the following questions, you will gain vast insight into the strengths and weaknesses of your business or professional practice. Answer as many of the questions as you can on separate sheets of paper and Email your answers to **us**. If you don't totally understand or are unable to answer particular questions, don't worry. When you have read all of the strategies and worked with us in our programs you will understand the meaning of all these questions and you will appreciate the value and importance of them.

#### **Tell the Business Doctor about yourself...**

Contact Name	Contact Title	Email
Company Name	State	Zip
Phone Number		Fax Number
Website		
Industry	Revenue	# Employees

#### **PART I: What top business challenges are you currently facing?**

Sales & Marketing	Overhead	Break-Even Utilization
Operations	Incentives	Cash Flow Management
Administration	Productivity	Organization Re-Engineering
Material Cost	Cost Controls	Profit
Labor Cost	Material Flow	Succession Planning

Any other unique concerns

#### **CHECK POINT ONE – SAVING YOUR BUSINESS**

- 1.** Do you really want to save your business?
- 2.** Why? Why Not?
- 3.** Are you thinking objectively or are your decisions based on fear and worry?
- 4.** Do you enjoy your business?
- 5.** Would you enjoy it if it were problem free?

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- 6.** Can your business foreseeably give you the income you need?
  - 7.** Can you effectively manage your business?
  - 8.** What can you do so it is properly managed?
  - 9.** Can you save your business?
  - 10.** If how, how do you know?
  - 11.** Is your business a managerial failure, a financial failure or a legal failure?
  - 12.** Businesses fail for several reasons. Why is yours in trouble?
  - 13.** What is really killing your business?
  - 14.** Your own bad management may be the number-one culprit. Are you objective enough to see it?
  - 15.** Are you problem oriented or do you wear blinders?
  - 16.** Do you think your business is in serious trouble?
  - 17.** Why?
  - 18.** Why Not?
  - 19.** How much trouble?
  - 20.** Do you encourage your employees to come to you with problems?
  - 21.** How would your creditors and clients view your business?
  - 22.** What systems of serious problems do they see?
  - 23.** What do your financial statements tell you about your business?
  - 24.** Are your statements reliable?
  - 25.** Do you know how to use them to navigate?
  - 26.** What's your feeling about your business?
  - 27.** Can you create the change your company needs to survive?
  - 28.** Can you build a climate of success for your organization to survive?
  - 29.** Can you shake your organization out of its doldrums?
  - 30.** Can you talk about your problems and your progress with employees, suppliers, clients, lenders and creditors?
  - 31.** Can you make those tough decisions?
  - 32.** Can you negotiate effectively?
  - 33.** Can you innovate and make something from nothing?
  - 34.** Can you work your tail off to survive?
  - 35.** Can you persevere and stick it out?
  - 36.** Can you call it quits when that's the right decision?
  - 37.** Do you need professional help?
  - 38.** Why?
  - 39.** What type of professional help do you need?

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40. Have you considered hiring a turnaround consultant?
  41. What operational problems do you need assistance with?
  42. Is your lawyer qualified to handle your financially troubled business?
  43. Has your accountant financially navigated your business well in the past?
  44. Can he effectively guide you throughout the workout?
  45. What key employees would be valuable members of the turnaround team?
  46. Are you ready to assume your role as a leader?
  47. What factors will most influence your turnaround strategy?
  48. Do you have the resources needed to get your business out of trouble?
  49. What are your turnaround objectives?
  50. How can you best implement a turnaround plan for your organization?
  51. How seriously ill is your business?
  52. How rapidly and steady is it failing?
  53. What vein of gold must you protect?
  54. What do your financials tell you about your business?
  55. Are your employees an asset or a liability?
  56. How strong is your competitive position?
  57. Can you effectively compete considering your handicaps?
  58. What are your winning products or services?
  59. What are your losers?
  60. What legal and political factors can you capitalize on?
  61. What factors threaten you?
  62. Can you spearhead the turnaround or must someone else lead the charge?

#### **CHECKPOINT II -TOP BUSINESS CHALLENGE FOCUS**

1. When did the company start?
2. Why did the company start?
3. Tell me about its background.
4. Was the business incorporated?
5. When?
6. Where?
7. Who are the equity holders in the business and what percentage do they own?
8. Do you employ family members?
9. If so, whom and what are their responsibilities?
10. Do you have any affiliated or subsidiary companies?
11. Who manages the day-to-day operations of the business?
12. Do you have a Board of Directors?

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- 13.**How many members constitute the board of directors?
  - 14.**Is the size appropriate?
  - 15.**List internal/external executives who are members of the board.
  - 16.**Is the board membership adequate in experience, broadness or background and affiliation to render effectiveness to the company?
  - 17.**How often do you hold a board of directors meeting?
  - 18.**Who would run the business if you were incapacitated?
  - 19.**How effectively would it be run?
  - 20.**Would the business stagnate or diminish?
  - 21.**When is your fiscal year end?
  - 22.**What is your current annual sales volume?
  - 23.**What should it be?
  - 24.**What was your sales volume last year?
  - 25.**What should it be?
  - 26.**What was your operating profit last year?
  - 27.**What should the profit have been?
  - 28.**Where do you stand this year?
  - 29.**What is your current gross profit?
  - 30.**What should it be?
  - 31.**What was your gross profit last year?
  - 32.**What should it have been?
  - 33.**What sales volume is required to break even?
  - 34.**What is your current working capital?
  - 35.**What are your current daily working capital requirements?
  - 36.**Tell us a little about your business:
  - 37.**The Operations?
  - 38.**Products you handle?
  - 39.**Your trading area?
  - 40.**Market penetration?
  - 41.**Who do you purchase from?
  - 42.**Who do you sell to?
  - 43.**Who are you key customers or clients?
  - 44.**Are you automated in your financial and operating reporting processes?
  - 45.**Why or why not?
  - 46.**Do you utilize the system you have?
  - 47.**Of the reports you receive, which do you consider the most important?

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48. What information do you want to get that you do not get?
  49. What prevents you from getting all the information you need?
  50. Where would you like the business to be 1 year from now? 3 years? 5 years?
  51. What about yourself personally 1 year from now? 3 years? 5 years?
  52. Have you ever used a business consultant before?
  53. When?
  54. What did they do?
  55. How is your financial strength currently?
  56. Where do you see this industry going in the next few years?
  57. What is the current breakdown of your employees by number?
  58. Administrative?
  59. Sales/Marketing?
  60. Mfg/Plant/Warehouse?
  61. Others?
  62. Do you measure the productivity of your people based on specific standards?
  63. What is your employee turnover rate?
  64. What does it cost to replace an employee?
  65. Who do you consider to be your key men?
  66. What are their daily responsibilities?
  67. What is their compensation?
  68. Do you consider any one employee to be key in the business?
  69. Who is it and why?
  70. If you had a choice, would you replace any of your key people?
  71. Who and why?
  72. How often do you have formal meetings with your key people?
  73. Who attends these meetings?
  74. Do you now have or have you ever had a union?
  75. If so, when is the contract up for renegotiation?
  76. Who negotiated the last one?
  77. Are wages and salary levels reviewed on a periodic basis to provide for adjustments required by inflationary or competitive influences?
  78. Are compensation rates competitive with industry and prevailing local rates?
  79. Were appropriate, are there incentive compensation programs?
  80. What types do you use?
  81. Which classification of employees is on an incentive program?
  82. Do incentives appear to achieve their desired purpose?

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- 83.** If not, why not?
  - 84.** How many salespeople do you currently employ?
  - 85.** How are they compensated?
  - 86.** Do you feel that sales personnel are properly trained or experienced in:
  - 87.** Company products or services?
  - 88.** Competitive offerings?
  - 89.** Policies, prices and procedures?
  - 90.** Sales techniques?
  - 91.** Are sales quotas established for regions, territories, and sales personnel?
  - 92.** Are efforts directed toward products offerings high profitability?
  - 93.** How do you analyze your sales margin mix on an ongoing basis?
  - 94.** Are there unique market segments that your company has developed?
  - 95.** Has it gained a favorable reputation in this segment?
  - 96.** How many sales orders do you receive each month?
  - 97.** How many active accounts do you currently have?
  - 98.** Are sales performance records, showing actual sales against budget and actual sales this year versus last year, prepared:
    - 99.** Salesperson?
    - 100.** Region?
    - 101.** Product or product grouping?
    - 102.** Customer or client?
    - 103.** Are adequate reports and data a provided to appropriate areas of the Company for purposes of information and control?
    - 104.** Many reports may actually be generated by data processing?
    - 105.** How many do you generate?
    - 106.** To all departments?
    - 107.** To sales and marketing? (Analysis of sales by product, client, market, region, salesperson, product profitability, etc.)
    - 108.** To Manufacturing? (Reports of labor distribution, direct versus indirect costs, labor efficiency, labor and material variances).
    - 109.** To senior management? (Balance sheets, profit and loss statements with comparisons to prior periods, prior years and budgets.)
    - 110.** To Purchasing? (Reports on cost variances, make or buy analysis).
    - 111.** On what periodic basis do you receive Operating Statements?
    - 112.** How soon after the close of your accounting period, do you receive them?
    - 113.** When you get your statements, what is the first thing you look at?

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- 114. Do financial reports and statements represent a clear picture of financial results and condition?
  - 115. Do you get a break even analysis by product group?
  - 116. Are financial and performance ratios provided on a regular basis to highlight an overall awareness of total performance?
  - 117. Explain.
  - 118. Do you have a bank line of credit?
  - 119. If so, what is your limit?
  - 120. How much do you currently owe?
  - 121. Adding all your debts together, how much do you currently owe?
  - 122. How do you project your daily cash requirements?
  - 123. Have you ever factored your receivables?
  - 124. Is inventory or A/R currently pledged to secure debt?
  - 125. Are checks deposited promptly each day to enable investment and the best return of the funds?
  - 126. Does the organization take advantage of cash discounts?
  - 127. How often do you invoice your customers or clients?
  - 128. How much of your current A/R are over 60 days?
  - 129. Over 90 Days?
  - 130. Do you consider any uncollectible?
  - 131. What are your terms?

### **CHECKPOINT III - PURCHASING PRACTICES**

- 1. Are purchase order forms pre-numbered and controlled to prevent unauthorized usage?
- 2. Are invoices matched to purchase orders and/or receiving reports to verify correctness of prices and quantities?
- 3. Are competitive quotations and actual purchases analyzed?
- 4. By whom?
- 5. Do criteria exist for analyzing major vendors?
- 6. Is an evaluation of major vendors performed at least once a year?
- 7. How many items do you have in inventory?
- 8. What percentage of your inventory is obsolete?
- 9. What is the current dollar amount of inventory?
- 10. Is the level of inventory or turnaround from suppliers adequate to support production needs?
- 11. Do you have parts or material shortages that affect production or delivery schedules?
- 12. Is there a system for identifying reorder points and quantities on regular purchased items?
- 13. What is it?

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14. Do you get an inventory reorder report?
  15. What kind of inventory control system do you utilize?
  16. How do you control theft and pilferage?
  17. Do you take physical inventory?
  18. How often?
  19. Are perpetual inventory records maintained for raw material, supplies, work in progress and finished goods?
  20. Are the perpetual records checked against physical stock counts?
  21. Are perpetual records updated as a result of such physical counts?
  22. Do reports exist on the status of the following critical elements that concern the business?
  23. Financial Results?
  24. Sales?
  25. Manufacturing Performance?
  26. Quality Control?
  27. Research and Development?
  28. Material and Suppliers?
  29. Capital Improvement?
  30. Personal and Public Relations?
  31. Profit Improvement or Cost Reduction?
  32. Are reports issued on a timely basis?
  33. Does the company have a short-term plan encompassing a one-year period?
  34. Is it in writing?
  35. Are the following subjects included in the short term plan?
  36. Profitability?
  37. Sales?
  38. Budgets?
  39. Capital Expenditures?
  40. Manufacturing and Production?
  41. Research and Development?
  42. Do written policies and procedures exist that are clearly and readily understood?
  43. Does a published organizational chart exist in the company?
  44. Does the company have written operating goals?
  45. Does the company have periodic performance reports of actual results versus these goals?

**CHECKPOINT IV: What are your top business goals – short term and long term?**

Increase Profit  
Increase Assets  
Reduce employee turnover

Decrease Debt  
Decrease Cycle Time  
Other

Reduce Taxes

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## **CHECKPOINT V: What specific areas of your business are causing you problems?**

### **Operations:**

How often do you receive operating statements?

What key information is tracked and utilized to measure productivity?

### **Administration:**

Is there a developed percentage based budget? If so, how are the results tracked?

Do administrative systems and procedures meet current requirements?

If not, what are the ramifications of non-compliance?

### **Material Costs:**

What effects do waste and rejects have on material costs and how do these affect margin contribution?

Who is responsible for negotiating material contracts, managing costs and overrun controls?

How are these employees measured and held accountable in their performance of their jobs?

When I first started, where did my clients or promotions progress come from (what process, method, or action did I use)?

### **Labor Costs:**

How does labor cost fluctuation affect production scheduling?

How do you compensate for work center loading?

What effect does overtime have on profitability?

How does this factor in the decision to add or maintain personnel?

### **Overhead:**

How is overhead application accounted for in the pricing matrix?

What methodology is used to tack and measure the implications of adding overhead costs to cash flow requirements?

### **Incentives:**

Is there a productivity-based excess profit incentive plan?

If not, how are employees rewarded?

How is the effectiveness of those rewards measured in profit and productivity?

### **Productivity:**

Are there established quantifiable productivity standards?

How is productivity based performance standards measured?

### **Cost Controls:**

Are costs measured and compared to predetermined standards?

What systems or procedures are in place to control costs and quantify results?

### **Material Flow:**

How is material analyzed and what effect does it have on productivity and waste?

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Does a perpetual inventory record for all materials, supplies, work-in-progress and finished goods exist and how it is maintained?

**Break-Even Utilization:**

Is there a break-even analysis by product group, sales personnel or services offered?  
How are break-even calculations used?  
How is it utilized for bidding, pricing and market strategies?

**Cash Flow Management:**

Is there a system in place to forecast and manage payables, and receivables to maximize current assets and increase vendor leverage?

**Tax Planning:**

Is after tax income maximized with proper planning?  
Is your estate plan structured to minimize estate taxes?

**Organizational Re-engineering:**

Is the company set up on a functional basis?  
Do all employees have a clear understanding of their role in the success of the business?  
Do you as a business owner have a clear understanding of your responsibilities? [i.e. to create positive cash flow, generate a substantial profit and create a good quality of life for you and our employees?

**Sales and Marketing:**

Are you able to determine margin contribution and operating profit by sales person, product, product line and territory?

Are you getting a reasonable return on your advertising and promotion investment?  
How do you quantify your return?

**Web Site:**

How does your Web presence enhance marketing objectives?  
What type of search engine optimization (SEO) are you utilizing?  
How is the success of those efforts measured?

**Solvency:**

Have you used the solvency ratios to measure the financial soundness of your business and how well your company can satisfy its obligations?

**Efficiency:**

Have you used the efficiency ratios to measure your firm's receivables and how efficiently it utilizes its other assets?

**Profitability:**

Have you used the profitability ratios to measure how well your company performs?

**CHECKPOINT VI: BUSINESS SALE OR BAIL-OUT!**

Is your business well-fortified from the creditors, or is it exposed and vulnerable?  
Are you squandering money by paying bills you will never fully pay?

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Is someone handling your creditors so you can spend your time rebuilding your business?

Do you observe any key rules for handling your creditors?

Do you fully respect your creditor's rights and treat them fairly and honestly?

Do you know how to defend yourself against creditors?

Do you have too big a loan in relation to your assets?

A loan you cannot repay?

How must you restructure your overall debts to shape a healthy balance sheet?

Are you fully protected from your lender?

What loan concessions do you need?

What defenses or counterclaims can you use as leverage against your lender?

How can your lender help you in your debt restructuring?

What is that cooperation worth?

What do you really know about how your lender will react to your problem loan?

Can an out-of-court settlement with your general creditors be your best debt-reduction strategy?

What would be a fair settlement with your creditors?

What problems may hamper a settlement?

What may creditors object to in your preposition?

What arguments can you make that would persuade or convince creditors to accept your offer?

What is your strategy on back taxes?

Do you understand as a small business owner you have less than a 10% chance of surviving a Chapter 11 Bankruptcy?

What efforts have you made to resolve your creditor-problems without a Chapter 11?

Would a Chapter 11 cause you to lose essential clients or customers?

Do you understand the disadvantages of a Chapter 11?

If you are planning a Chapter 11, do you have the ingredients to survive and succeed?

If you are planning a Chapter 11, have you considered an Assignment for the benefit of Creditors instead of Chapter 7 bankruptcy?

Should you sell the business or hang-on to it? What does your business have that could be of interest to a buyer?

How can you structure a deal so the sale of your business puts money in your pocket?

Is your game plan for selling your business comprehensive, objective and flexible?

Is this the time to sell or could you cut a better deal later?

Do you know how you will resolve creditor claims if you cannot sell your business for enough to fully cover your debts?

Can you inexpensively dress up your business so it sells faster and for a better price?

Should you buy a business or two instead of selling your business?

Will your business structure shield you from business debts?

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What business debts have you personally guaranteed?  
How can you satisfy these guarantees before your business fails?  
What tax liabilities are outstanding?  
How can these back taxes be repaid?  
How deep are your pockets?  
What personal assets are exposed to creditors?  
How can they be protected?  
What does your business owe you?

[When you have completed this questionnaire please submit your answers to us. Thank you.](#)