

Business Acumen Test

ISSUE	GOOD 3	BAD 2	UGLY 1	SCORE
When the phone rings	It's surely another order	It's probably a service problem or someone's sick	It's probably somebody looking for money	
Cash flow	Pocket full of cash, no need for anything to buy	Some room left on the credit cards	No walkin' around money	
Time flexibility	I can be away for months and my business runs without me.	I can be away a week, but I am extremely important	My business needs my personal attention and efforts most of the time	
Personal income	I draw a significant monthly salary and pay out dividends every year	I draw a decent monthly salary	I earn a steady monthly salary, but it is less than I would like	
Stress	I eat well, exercise regularly and sleep like a baby	I am mostly OK, but wish I could work out more and sometimes worry at night when sleeping	I often have sleepless nights and sometimes worry about meeting payroll	
Family	I make every performance activity my children and grand kids ever have	I sometimes miss things my family does due to work commitments	Gosh, the time is flying by and I am missing important family and friend outings due to work necessities	
Business Performance	We are growing steadily and our pre tax profit is 12% in an industry that averages 8%	Our growth is steady, if modest, but our pre tax profit is less than the industry average	We continue to struggle at breaking even, hoping next year will be our break out year	
Balance Sheet	We have cash in the bank, the credit line is significant and unused	Our credit line is two-thirds used and I wish it were lower	Our receivables are averaging over 50 days and several are worrisome	
Value of Business	Our accountant says our EBITDA is \$600,000 and with a multiple of 3.0 times we might sell for \$1.8 million	Our EBITDA has been flat for several years and I am so critical to the business it could not yet be sold	EBITDA? Say what?	
Management Team	We have a solid senior team that could readily transition the business to a new owner	I should get around soon to hiring a solid general manager so I could focus on what I do best and the company could run better and perhaps without me	I have a team that is struggling to deal with what we have on the go right now. Building a team to grow the business must wait	
Total Score				