



Carry out a review of your business

If you regularly review your business you will have a clear idea of how it is doing. This will help you to spot problems quickly and deal with them before they get out of hand, see what opportunities there are for your business, see what threats it will need to combat and also identify what changes and improvements need to be made.

This involves:

1. whether your business is doing what you expect
2. analysing the things that affect it
3. deciding how to change or improve things

What you need to do

- find out what changes, opportunities or problems (factors) your business faces
- assess the effect of different factors on your business and decide which are affecting your business the most
- decide what the strengths and weaknesses of your business are
- assess the current market position and image of your business
- look at how you sell your products or services and if you need to promote them more to customers
- assess the products or services and identify ways to improve productivity and quality
- identify ways you can improve your existing products or services and think about developing new products or services
- accurately assess the financial state of your business
- decide what you want and need from yourself and check that any staff have the skills they need to perform well
- use suitable ways of checking to give you accurate and fair information
- find out why the performance of your business varies from what you expected
- consult relevant people to confirm your results



- seek help when you need it
- keep records so that you can use them to help plan future business activities
- make a list of improvements for your business

What you need to know and understand

Business focus

- what factors outside your business are important and how they affect business. (For example, customer demand, competition and laws or regulations)
- what inside factors are important and how they affect your business. (For example staff organisation, attitudes, training and work environment, business management and organisation, product or service design, quality, marketing and sales)
- how to measure and assess each of the things that affect your business
- what possible opportunities there are for your business and how to keep up to date with them. (For example moving into new markets, improving products or services, simplifying your business and increasing profits)
- what possible threats there are for your business and how to keep up to date with them. (For example market changes, competitors actions, new laws or problems with suppliers or backers)
- how to make sense of any differences between the targets you set for your business and the actual performance

Marketing and sales

- how the current market position can be identified
- how to assess the image of your business by investigating what other people think of it and how image affects your business (for example, the way staff behave, what customers think of the premises and how suppliers respond)



Products or services

- how to assess the effect of products or services on your business. (For example by reviewing what your customers think of the products or services, the quality of products or services and the length of time each take to produce, the range of products or services, costs and overheads and unique selling points [USPs])
- how to identify different opportunities regarding products or services
- what quality standards are available and necessary

Finances

- how to assess the financial state of your business (for example, by examining profits, cash flow, assets and liabilities, break-even point, and estimating the risk of losses or less-than-expected returns) and what financial information you can use (for example, basic cash flow, profit statements, high and low profit and loss forecasts, break-even point and basic balance sheets)

Skills and abilities

- how to assess what skills and abilities you and any staff may need

Information and advice

- where to find help and advice. (For example business associates, business advice centres, business advisers, mentors or counsellors, specialist consultants, non-executive directors, accountants and other professionals.)

Business improvement

- what types of improvements are possible and what information can be used to identify them. (For example, financial statements and accounts, order books, customer records, budgets, feedback from staff and customers, information from suppliers, guidelines on the law and other regulations)