

RETAIL BUSINESS CHECKUP

Business: _____

Date: _____

Scoring:

Place the score you feel most reflects your business next to each point. Total each section individually and at the end for an overall score. If a statement is not applicable or you don't understand it, subtract its possible point values from the "Total Possible Points" at the bottom of the Checkup. Then compare your totals to the revised "Total Possible Points." Contact the Alexandria SBDC and let us know in which areas you need assistance.

Healthy = meeting standards consistently.

OK = unsystematic compliance.

Sick = not occurring in the business.

The Basics	H	OK	S
	(5)	(3)	(0)

___ Your business is making money.

___ You are paying your bills on time - especially invoices with discounts.

___ Your vendors and suppliers are shipping you with terms.

___ Your inventory is fresh.

___ You are current with taxes, permits and licenses.

___ Your business is trending up overall since you opened.

___ Your business is trending up compared to last year. (comp #'s)

___ **Subtotal = The Basics**
35 = Healthy as a Horse!

Finance	H	OK	S
	(3)	(1)	(0)

___ You reconcile your checking accounts.

___ You are producing regular, consistently formatted statements. (income statement, balance sheet, sources and uses of funds)

___ You operate with a rolling cash flow 12 – 18 months out.

___ Your receivables are current.

___ Shrinkage (bad debt, internal and external loss of money & merchandise) is less than 2% of gross revenue.

___ There is a sales plan in place.

___ Your lease is competitive.

___ Your payroll is an acceptable percentage of sales (e.g., 10% or less, not including executive/owner compensation).

___ A basic ratio analysis corresponds favorably to industry benchmarks.

___ **Subtotal = Finance**
27 = Fit as a Fiddle!

Operations	H	OK	S
	(2)	(1)	(0)

- You match packing slips with purchase orders with invoices.
- Your system allows for orderly register "closings" at C.O.B.
- You make bank deposits daily.
- You keep UPS or postage records for mailed merchandise.
- You have policies for damaged merchandise return to vendor.
- You record weather on your daily business summary report.
- You can anticipate business needs and work loads based on weather predictions and/or seasonal variations.
- You periodically "drop-in" on your day off to see if your management is as good as they should be when you are not there.
- Subtotal = Operations**
16 = Feelin' Good!

Inventory	H	OK	S
	(3)	(1)	(0)

- There is adequate inventory to support the sales plan.
- Inventory turns maximize investment dollars.
- You follow a purchase plan or open-to-buy.
- You "know" your inventory including all backstock.
- Markdowns are done in a timely and well-promoted fashion.
- You take advantage of manufacturer's stock programs and special order capabilities.
- You inquire if certain vendors will hold key items specifically for you in their stock.
- You are continually looking for new merchandise that would add daily to your marginal sales even if the margins are a bit lower than you would like.
- Subtotal = Inventory**
24 = Strong as an Ox!

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Merchandise	H	OK	S
	(2)	(1)	(0)

- Merchandise is clean.
- Merchandise is well displayed, grouped, and accessible.
- Lighting is adequate or even enhancing.
- Merchandise is priced, well marked, and/or clearly signed.
- The store looks full and "ready for business."
- Merchandise is maintained throughout the day.
- You re-merchandise on a regular schedule.
- Subtotal = Merchandise**
14 = Lookin' Good!

Physical Plant	H	OK	S
	(2)	(1)	(0)

- The front/entrance of the store is clean.
- Windows are clean.
- All light bulbs are working and interior is well lit.
- Window displays and signage are effective and in order.
- Windows are changed on regular schedule.
- The floor is clean.
- Signage is effective and informative.
- Music is appropriate.
- The store opens daily "ready for business" regardless of your presence.
- Subtotal = Physical Plant**
18 = Feeling Your Best!

Personnel	H	OK	S
	(3)	(1)	(0)

- Staff is stable and turnover manageable.
- Employees clearly understand performance standards.
- Operational policy and procedures are clearly stated.
- Employee discounts or purchase programs are clearly defined.
- Employees have an understanding of “product knowledge”, “selling techniques”, and “use of downtime.”
- Training is provided.
- Employees are properly groomed and attired.
- The compensation system incentivizes behavior.
- All behavior receives appropriate feedback, redirection, or reinforcement.
- You solicit and listen to employees’ ideas and suggestions.
- Subtotal = Personnel**
30 = Solid as a Rock!

Customer Service	H	OK	S
	(3)	(1)	(0)

- You can describe your customer in detail in two or three sentences.
- Merchandising* (purchasing, display, signage, pricing) *policy* (checks, credit card, return, exchange, credit), *promotional, marketing, repair or replacement* decisions are made from a customer service perspective.
- Your customers are greeted when they enter your shop.
- All your employees answer the phone in a prescribed manner.
- Customers are thanked when they spend money with you.
- You have had your store “secret shopped.”
- Subtotal = Customer Service**
18 = Bright Eyed & Bushy Tailed!

Marketing	H	OK	S
	(2)	(1)	(0)

- You have identified the most effective means of communicating with your customer.
- You capture customer information for mailing or direct contact.
- You contact customers on a regular basis.
- You have a marketing plan and a budget.
- Subtotal = Marketing**
8 = Sitting On Top of the World!

Competition	H	OK	S
	(2)	(1)	(0)

- You shop the competition.
- You are familiar with competitors' marketing, assortment and depth, pricing, and policy practices.
- You are beating the competition.
- You have "loss leaders" that are readily reorderable and enhance customer loyalty.
- You understand where else a customer might spend the dollars that would be spent in your shop. (substitute, complementary, or alternative products)
- Subtotal = Competition**
10 = A-OK!

Loss Prevention & Safety	H	OK	S
	(2)	(1)	(0)

- Store, register, and display keys are in management's possession at all times.
- The customer entry chimes (bell) works.
- Stockroom and office doors are closed and secure.
- Rear entrances are locked.
- Emergency phone numbers are clearly posted in front and rear of store.
- Fire extinguisher and first aid kit are in good order.
- Exits are clear, and exit signs and emergency are lights working.
- Dressing rooms (and bathrooms) are monitored by staff.
- Subtotal = Loss Prevention & Safety**
16 = Never felt better!

Technology	H	OK	S
	(2)	(1)	(0)

- You employ a computerized Point of Sale system.
- It integrates to accounting and inventory systems.
- It can capture customer information.
- You have a web-site.
- You have done a "Technology Assessment" to determine appropriate technology applications and cost/benefit for your business.
- Subtotal = Technology**
10 = All Systems Go!

TOTAL POSSIBLE POINTS	H	OK	S
	(226)	(100)	(0)

226 IS OPTIMUM HEALTH!