

Time to do a business audit?

by Rickey Ex Gold

Do you need one?

No, you don't have to do an audit – we're not talking IRS. But if you want to grow your business in the coming year, it's probably a good idea – especially given the current economic conditions.

Why bother?

One of the key benefits of being self-employed is that you can change quickly as circumstances change. There's no board of directors that you need for approval. You can reinvent yourself fairly easily. So, if you were planning on raising your fees this year – but decide that it may be wise to hold off – you can make that decision right now. If it's between losing clients who are worried about making their payrolls or increasing your fees because that was the plan, which would you choose?

I'm opting for an audit. It's simply an evaluation of where my business is right now and where I want to be by the end of the year. Call it a "situation overview" – it's the same sort of evaluation I do when I write new business proposals.

Here are some questions to consider:

- Are you where your forecasting says you should be?
 - sales and/or profit margins
 - number of accounts
 - job security
 - job satisfaction
- What key goals will you focus on this year?
 - replacing clients who are not profitable
 - replacing clients you don't like working with
 - adding new services and/or deleting any which are less profitable
- What, if anything, will you do to survive (and thrive) in 2002?
 - re-evaluate your services for the current economic climate, ie. offer different price levels for those clients who are cutting budgets
 - hold your rates until business improves
 - hire employees with different skill sets
 - "partner" with other small business owners to offer integrated services
- What about marketing? How will change your marketing till business picks up?
 - make it more targeted, less generic
 - pay more attention to developing your web site and drawing traffic
 - pay more attention to what your competitors are doing
 - publish articles
 - arrange speaking engagements
 - start a monthly newsletter to clients and prospective clients
 - network more (this should be a given!!)

A business audit shouldn't take a lot of time. And even if it did, it's time well spent. Bottom line is – it's all about the bottom line.

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