Plain Talk
Let's Evaluate Your Business

COLUMN BY ROB BUKSAR

We used to be able to depend on the legendary resilience of the American economy. History has shown the folly of playing this country short. However, the days of easy pickins and streets paved with gold are long gone. To ensure financial success these days, it's going to take a bit more than hanging a sign and showing up every day.

In light of all the Chapter 11 bankruptcies, business failures, outsourcing, downsizing and just plain crazy stuff in general I thought you would find the following evaluation interesting and helpful. Here is a way you can either rate what you're presently doing or determine whether a new venture has any realistic appeal.

We will call this my "Profitable Business Evaluator." There will be 18 areas to consider. You will score each category between one and 10; one being the least (if any) and ten being the most. There is no winning score. This is just a tool that will help focus and evaluate critical areas in your business or a new endeavor—although you may want to pay serious attention to those areas that score five or more. A high score in a given area could indicate more trouble than you should be willing to deal with.

My profitable business has:

1. No investment (no downside risk).
2. Well recognized market (locating potential customers is not like a treasure hunt).
3. Customers perceive need for product (eager to buy).
4. Assured supply of product(s) at low cost.
5. Minimal amount of government regulation involved with business activity.
6. No labor (as opposed to labor intensive).
7. Large gross margin (very small real cost; potential to charge a bunch without complication).
8. Customer purchases frequently (steady, repeat business).
9. Favorable tax treatment (at very least no tax penalty that's atypical).
10. Distributors receptive and want to handle product (fighting and compromising are not necessary to get your products on someone's shelf).
11. Products have great news value (something people want to hear about, so very low promo cost).
12. Do not have to provide credit.
13. No product liability.
14. Technical innovation will not put you out of business within the year.
15. Competition is non-existent.
16. Fashion is not a factor.
17. Not perishable.
18. Weather will not determine your sales.

If your scores are high, don't close up shop just yet. This is nothing more than food for thought as our business climate changes each day. But if you don't pause and evaluate what's going on, you might not realize why you're hurting.

Our kids go to school and are graded on a regular basis in order to monitor progress or identify problems. The tool I've just provided can be used to formulate your own commercial report card. It will also help you "keep your eye on the ball" and focus on what's important.

May God bless the small American businessman and awake the deluded American public.

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