

# **The business reevaluation: The key to your success**

Stay adaptable in a fast-changing world



## Your guide to keeping your business operations up to date

We're happy to see you here, digging into another educational resource developed to offer you valuable information on how a periodic review of your small business can keep you primed for success.

### Why should you reevaluate your business?

Even if you launched your small business with the best business plan and model ever laid to paper, things can change. And we're not just talking about your personal circumstances changing; every so often, the universe tends to throw us all a curve ball.

Exhibit A: the COVID-19 pandemic. If it showed us nothing else, the pandemic and its associated lockdowns demonstrated how fast things can change—and, in the case of many small businesses, how quickly they could fail.

While we're finally back on the path to recovery, it's safe to say that business owners will never again operate in quite the same environment as they did pre-pandemic. There are just too many changes happening. From employees realizing the freedom that remote work can bring to restaurateurs combining resources to feed online diners via [ghost kitchens](#), the business world is adjusting and evolving at an unprecedented pace.

That's why we've created this eBook, to help you understand why a periodic review of your business can help you stay aware of changes in your life and trends in your industry. Doing so will help you decide whether or not you need to make a course correction to ensure you're not caught unaware.



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# Is your business out in front of change... or bringing up the rear?

Even without a global event like a pandemic, small business owners are constantly affected by change. Whether it's internal—the growth of your business, the loss of a key employee—or external, like the rumblings of a recession or shifting social trends, change can play havoc with your business if you're not prepared to meet it.

**You can't just keep doing what works one time, everything around you is changing. To succeed, stay out in front of change.**

— Sam Walton

One way to be sure you're ready for anything that comes along is to periodically reevaluate your business operations. Even if things are going well, the reevaluation process will help you recognize and adapt to new internal and external factors that can impact your business.

## The basics of change

As in life, change can happen in business for any number of reasons. Here are six common types of change your small business may encounter:

### ① Unexpected change

Changes that need to happen as a result of an unexpected event or events like the COVID-19 pandemic or a natural disaster (e.g., the shift to remote work; offering clients the option to access your products or services in a new way).

### ② Strategic change

Changes to your business's processes or policies to make you more competitive or help you meet goals (e.g., updating your mission statement; adjusting your focus to attract more prospects).

### ③ Structural change

Changes to the basic structure of your business, such as management, job structure or departments (e.g., creation of new departments; a merger with another company).

### ④ People change

Changes in the number of people you employ due to new hires or resignations; changes in policies that affect staff (e.g., new onboarding processes; introducing parental leave policies).

### ⑤ Technological change

Changes in your technology infrastructure to improve your business's processes (e.g., introducing new or upgraded software).

### ⑥ Corrective change

Changes required due to problems that have been identified in your business operations (e.g., customers unhappy with your service; the need for better onboarding processes).

## Most changes fall into three progressively more disruptive levels.

### ① Incremental change

The small changes you make day to day as you respond to opportunities and pressures.

### ② Step change

More radical changes, often spurred by changes in leadership or recognition that the business is drifting off course.

### ③ Disruptive change

Changes that impact the market as a whole and challenge established business models.

Now that you have an idea what to expect, let's take a look at what you're actually reevaluating.

# Navigating the reevaluation

Now that you know what types of changes can affect your business, it's time to look with fresh eyes at the business itself.

## Determine your frequency

First, how often should you reevaluate your business? That's up to you. Once a quarter, every six months or once a year are common intervals for business reviews. You may want to do it more often during periods of economic uncertainty, market shifts, or if you're noticing small issues with the business that are causing hiccups in your processes, customer service or staff morale.

### **You may also want to reevaluate your business at other times of the year if any of the following items are true:**

- It's been over a year since your last review.
- You've added new products and services or eliminated old ones.
- Your competition has changed.
- There's been a financial change—positive or negative.
- Your business is going through internal changes.

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## Pull out your business plan

Start by reviewing your current business plan—even if you think it already covers the changes you want to address. Don't just review it with an eye to the business overall; think about how it relates to every single person who works there, and how it relates to every process your team performs.

Does it address the needs of your front-line staff? Of your customer service representatives? What about finance, marketing, human resources, information technology and other management (if you've grown enough to create those areas)? Are new regulations causing speed bumps in your processes that didn't exist before? Are there parts of the plan that seem a bit weak in light of the things happening today? Have you discovered new strengths since you created the previous iteration of your plan?

It's likely you won't need to update every part of your business plan. But as you're doing your evaluation, record every finding, question and concern your review brings up. This will be important when it's time to create a plan that addresses the issues.





# Review your business processes

To be sure that your company is performing at peak efficiency, review your day-to-day processes in each area to ensure the workflow being utilized is actually getting the job done. Here are some key areas to review...and a few questions to ask yourself:

## ■ Human resources

Do you have the right team members on board to help you achieve your goals? What's the status of your employee training program? Are all policies you've established so far up to date? Are you following current laws and regulations? When is the last time you updated your employee handbooks and any other templates you use? Now is a good time to make sure that happens—and be sure to send out any updates to your staff so they can acknowledge they've received and reviewed your latest guidelines.

## ■ Information technology

Do you have enough data storage? Is your internet speed fast enough to handle your daily use? Do any employees work remotely? What's your policy on employees using personal tech for work purposes (and vice versa)? Are your security programs and policies current, and are your employees informed and trained on how to handle security issues? Are you using up-to-date technology? If not, in what ways does it affect your ability to get the job done?

## ■ Finance

When was the last time you reviewed your costs or important financial documents such as your cash flow, balance, and profit and loss statements? Are you clear on what's happening with your business tax returns? If you reimburse employees for business expenses, is your reimbursement policy up to date? Are you able to pay your vendors and make payroll each month? And if you handle payroll yourself, are you updated on current regulations? How are the general economic conditions in your area or industry? Are you financially prepared for a possible downturn?

## ■ Marketing

Do you feel that you're reaching the right markets now, or is it time to expand? How do your competitors reach out to their customers and prospects? How do you reach out to your customers and prospects (e.g., website, direct mail, social media, emails, phone calls or face-to-face contact when they come into your business)? Do the communication channels you use work for you? Which channels, if any, don't seem to work as well? Are there new methods of communication you'd like to try (i.e., you've been sending direct mail but would like to start using social media)?

## ■ General

Is your business headed in the right direction based on the goals you've set for yourself? Can you picture where you want to go and what you want your business to be by this time next year? What about in three years or five years? Do you have the resources you need for success (e.g., skills, finance, team, network, facility)? Has the way you measured success changed since you started your business—and is it time for that measurement to change again? Are there external factors (i.e., economic or global issues) that currently affect your business's ability to compete? How effectively do your products or services match your customers' needs? Have their needs changed over time? Are some of your products and services less successful than others, and, if so, why? Is it time to consider removing or replacing them?

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We know, these are a *lot* of questions. And you may not be able to answer them on your own. That's where your professional advisors (accountant, mentor, attorney, network) and your senior staff members come in to help you create an effective review—and to help you create your plan.

## Adjusting your goals and plans

Once you know what types of changes you want or need to institute (if any—it's entirely possible that not every reevaluation will result in an adjustment), it's time to analyze your findings and create a plan to put any changes that need to be made into practice.

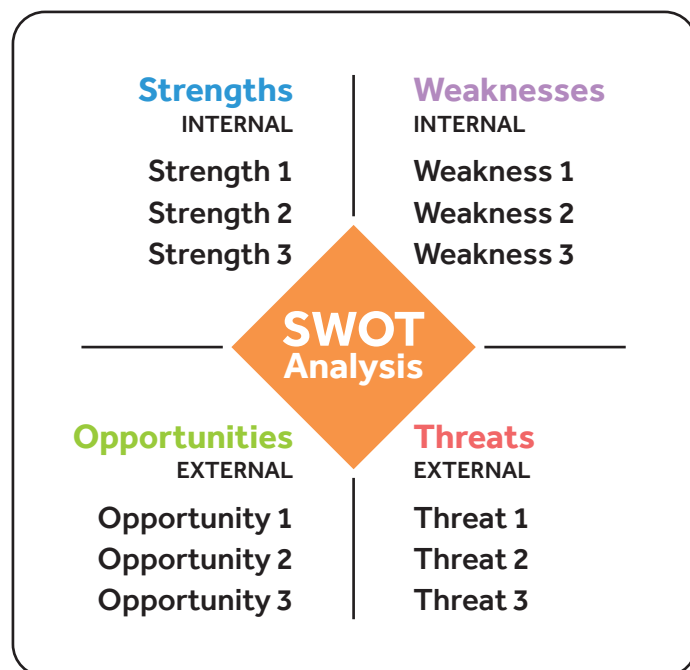
Keep in mind, planning is where many small businesses tend to fail, due to lack of follow-through or weaknesses in their business planning processes. A good tool to help you think more strategically about your business is something called a **business analysis model**. Since there are almost as many business analysis models as there are businesses, we're just going to talk about one of the most popular models. But you can learn more about other business analysis models in [this article](#).

### The SWOT analysis

The SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) enables you to identify your business's strengths and weaknesses, as well as any opportunities and threats to your business. The goal is to identify and make the most of the positives—strengths and opportunities—and reduce the impact of internal and external threats and weaknesses.

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Basically, you come up with a list of your business's strengths, weaknesses, opportunities and threats (Hint: this can make for a great brainstorming exercise with other leadership and your staff). Then, you enter that information into a simple table:



You then use the results to create strategies that enable you to use your strengths and overcome weaknesses to pursue opportunities and lessen your exposure to perceived threats. (Both [HubSpot](#) and the nonprofit business organization [SCORE](#) have excellent worksheets and examples you can use to launch your own SWOT analysis.)

Once the analysis is completed, you can integrate these new strategies into your business planning to make your company stronger and help you achieve your yearly goals.

## Summing it all up

We hope this guide has shown you why it's a valuable exercise to reevaluate your small business on a regular schedule. While we understand you're (more than) busy working *in* your business, it's essential to also work *on* your business—something only you as the owner have the vision and understanding to accomplish with the assistance of this eBook.

We also know that it can seem like an intimidating task, so we urge you to check with us if we can help you with the financial pieces of your business reevaluation or an action plan for continued business growth.

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Just click the **GET IN TOUCH** button and complete the brief form or give us a call. We look forward to hearing from you!

