

# Caught in the Economic Downturn? Time for a business health check!



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The key to operating a successful business and making money in an economic downturn or recession is to know where your business performs well and where it can improve.

The **'signs'** of a healthy business are sustainable profits and strong trading cash flows whereas the **'symptoms'** of a business underperforming and at risk of being **'infected'** by a recession or downturn include declining sales with high fixed costs.

People who care about their physical health visit an expert - their Doctor. Business owners who care about their business should similarly visit an expert - their Specialist Business Accountant to complete a **business health check**.

## Prevention is better than cure!

To ensure your business remains healthy and continues to prosper in these uncertain times you should undertake a business health check. A visit to HBA Encompass can protect your business from the full effects of a recession and better prepare you for recovery. HBA Encompass have access to sophisticated online valuation technology that includes a *Value Driver and Risk Assessment Questionnaire*.

The **Questionnaire** acts like a health check and grades your business in terms of it's risk and **pin points** opportunities for value improvement; **the cure!**

Below is a sample of the many topics covered in the **Questionnaire**.

How healthy is your business?	Your Score (1 - 5)
	1 Poor - 3 Good - 5 Excellent
1. Have you segmented your customer sales to identify profitable products / service lines and customer risk?	
2. Do you use benchmarking to identify you business' strengths and weaknesses?	
3. Does your debtor's policy include incentives for early payment and personal guarantees for large customer accounts?	
4. Does your approach to managing staff include capping salary increases and paying incentives for above budget performance?	
5. Do you have systems and procedures in place to reduce the business' reliance on you, the business owners?	
6. Do your business protection strategies include adequate risk management in case of an unforeseen triggering event?	

Total Score \_\_\_\_\_

(a score of 26 and above means you understand and manage your business effectively; 19 – 25 indicates you are doing well, and are on the right track; below 19 indicates you may be operating well below optimal levels, and could benefit greatly with slight improvements).

HBA Encompass can provide you with the *'Value Driver and Risk Assessment'* Questionnaire to assist with analysing your business to ensure it thrives, and not just survives, into the future.

**Talk to HBA Encompass about undertaking a Comprehensive analysis today!**