



**Newberry & Associates Ltd., aka the Business Doctor  
 Certified Public Accountants  
 OWNER'S QUESTIONNAIRE**

**COMPANY NAME:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**SURVEY ANALYST:** \_\_\_\_\_

**CORPORATE INFORMATION**

1. When was the company founded? \_\_\_\_\_

Is the company incorporated? \_\_\_\_\_ Date of incorporation \_\_\_\_\_ State \_\_\_\_\_

\_\_\_\_\_ Sole Proprietorship \_\_\_\_\_ Partnership

Can you talk about the company's history and background? \_\_\_\_\_

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 \_\_\_\_\_  
 \_\_\_\_\_  
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2. Who are the officers/partners?

NAME	TITLE/ POSITION	Percentage Ownership
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Are all officers associated with the business on a full time basis or do they have other business interests? Who are the operating executives?

NAME	TITLE/ POSITION	Percentage Ownership
_____	President	_____
_____	Vice-President	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. Who serves as the General Manager? (If something breaks down and an emergency decision is necessary, how is it made and who makes it?)

\_\_\_\_\_  
 \_\_\_\_\_  
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5. Who else do you rely on for advice on company policy, finances and operations? Who are the company and personal advisors?

NAME	Years with the Company
_____	_____





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Attorney \_\_\_\_\_

Accountant \_\_\_\_\_

Banker \_\_\_\_\_

Other \_\_\_\_\_

Other \_\_\_\_\_

6. How often do the directors meet to discuss company performance and future activities?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Are there any affiliated companies or subsidiaries? \_\_\_\_\_  
\_\_\_\_\_

**HISTORICAL FINANCIAL INFORMATION**

8. What are current annual sales? What were they last year? And the year before? What changes have you made in response to rising or falling sales?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. What should your sales volume be? What could sales be? Why aren't they what they could or should be? What is preventing you and the company from reaching these levels?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. What is the company's break-even sales volume? How do you know? When was the analysis last updated?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11. What was your pre-tax profit last year? What was it the year before? How about three years ago? Is that what you planned? Are you satisfied with that? Why is up or down?  
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\_\_\_\_\_  
\_\_\_\_\_  
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12. What should your profits be? What will it be this year? Have you established budgets or targets to make sure you achieve this level of profitability?  
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13. What is your current gross profit? Last year? The year before? What should it be? Why?

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14. What is your current working capital situation? How much working capital do you have? How is your cash flow? What kind of system do you use to manage cash flow? Do you use a cash flow projection?

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15. What will your cash flow situation be over the next 8 weeks? Over this year?

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16. How often do you receive complete financial statements? P&L's? Balance sheets? Cash flow statements? Who prepares them? Are they received on a timely basis?

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17. Can you explain your operation in more detail? What does your product line consist of? Are your financial statements departmentalized into profit or cost centers to show you detailed results for each product line or operating unit?

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18. Who is responsible for receivables? Who is in charge of receivables? What is your current receivable balance? What is the average age of your receivables?

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19. What are your terms? What systems do you have in place to track your receivables?

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20. How much did you write-off last year? The year before? What will you write-off this year? Who is responsible for reducing receivables and write-offs?

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21. How many vendors do you currently buy from? Do you take advantage of purchase and payment discounts? How much could you save by doing this?

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22. Do you evaluate your suppliers on service and price? Are you satisfied with their performance and prices? How frequently do you re-bid standard items? What is your bidding policy?

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23. Who is in charge of accounts payable? What is your accounts payable balance today? What is the average age of your accounts payable? What are the terms your suppliers expect? What system do you use to schedule payments?

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24. What are your plans for the next three to six months? Next year? The next three to five years? Longer term?

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**ORGANIZATIONAL STRUCTURE AND PERSONNEL**

25. How is the company organized? Who are your key people? What are their duties, responsibilities and compensation? (ANALYSTS NOTE: Key people may not necessarily be officers/directors or executives)

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26. What are your key employees' strengths and weaknesses? Are you satisfied with their individual performance and with their ability to cooperate with each other?

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27. Which of them would you hire if you were starting out all over again?

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28. How many employees do you currently have? Has this been growing or contracting over the last several years?

Department/Profit Center	Number of Employees	
	Salaried	Hourly
Operations/Production		
Marketing		
Administration		
Distribution		
Maintenance		
Other		
Other		
Other		
Other		

29. What is your turnover rate? What is your per employee cost to hire and train a new employee? What were your total employee hiring and training cost last year? How much would you save if turnover was substantially reduced?

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30. How do you measure the productivity of your employees? How would you rate them on a scale of 1 to 10?

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31. Do your supervisors really lead their people and manage their individual profit centers? How would you rate your managers on a scale of 1 to 10?

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32. How often do you hold managers meetings with your key personnel? What other communication methods do you use to coordinate operations and activities? How do you handle unusual situations and problems?

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33. What would you consider your three most URGENT problems? Why?

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34. What would you consider to be your three most IMPORTANT problems? Why?

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35. Do you have an incentive compensation program for all employees? How much has it helped increase productivity and bottom line profits?

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36. Are your personnel records being maintained to protect you from an INS or state labor department audit?

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**SALES**

37. How many individual sales orders (jobs, meals, transactions) do you process each month? How are these orders handled?

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38. What do you sell the most of and why?

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39. Who are your major customers (customer groups)? How do they find out about you? How much of your sales volume is generated by customers contributing 10% or more to your revenues? What would be the consequences of losing just one of these major customers?

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40. How broad a geographical area do you serve? Where are your strongest areas? Weakest areas? How do you distribute your product? What percentage of your market do you control? How do you know?

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41. How many sales people do you employ? How are they compensated? Are you satisfied with their performance? What do you think they should be producing?

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42. How do you determine the productivity of your sales people? What reports and controls do you utilize?

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43. Have you ever advertised or done promotions? What did you specifically expect to accomplish? How did they work? What were the sales increases?

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44. Who or what is your main competition? What is their share of the market compared to yours? What do they do well? Better than you? Do you know what their profit margins are compared to you?

Competitor	Market Share	Margin Percentage

45. What do you believe the future trends in the market will be?  
 If it is a positive answer:                      What will you do to take advantage of those opportunities?  
 If it is a negative answer:                      What will you do to make sure you survive?

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**PRODUCTION AND MANUFACTURING**

46. What is your current level of production in terms of your total capacity? How much more could you produce with your current facilities and personnel?

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47. What are your plans for expansion or upgrading? How will you pay for it?

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48. Do you actually fund depreciation? How do you analyze the feasibility of capital expenditures?

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49. How do you schedule and manage production? Is there a system of scheduling production runs?

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50. How do you control costs? What systems do you use for payroll control? Inventory and materials control? Do you do Post costing?

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51. How do you monitor waste, scrap, rework? How do you monitor and control product and/or service quality?

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**FINANCIAL RECORD KEEPING AND REPORTING**

52. Who is responsible for maintaining financial and operational records? Is the bookkeeping done in house or by an outside accountant? Explain?

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53. Are you computerized? Why or why not?

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If yes: When did you buy and install it? What kind of system is it? How much did it cost you? What did you hope it would do for you?

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54. What management reports do you get from the computer or other source? Do you consistently get them? How often?

<u>Report</u>	<u>Source</u>	<u>Freq.</u>
Profit & Loss Statement		
Balance Sheet		
Cash Flow Statement		
General Ledger		
Department/ Profit Center Variance Reports		
Inventory Valuation And Control Reports		
Production Schedules		
Waste, Scrap & Re-Work Reports		
Post Costing Reports		

<u>Report</u>	<u>Source</u>	<u>Freq.</u>
Accounts Receivable Aging		
Accounts Payable Aging		
Product Mix Sales		
Daily Sales Reports		
Actual To Budget Comparisons		
Salesman Reports		
Material Variance Reports		
Labor And Payroll Variance Reports		
Employee Work Schedules		
Payroll Forecasts		

55. Why don't you get all of the information you need?

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**BANK RELATIONSHIPS AND OWNER COMPENSATIONS**

56. Are you having financial difficulties now? Have you had them in the past? Please explain.

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57. How much do you currently owe? Do you have an established credit line? What is the maximum amount you can borrow? Why can't you borrow more?

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58. Have you attempted to increase your borrowing power? What is the collateral for your current debt structure?

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59. Have you ever leveraged your receivables or inventory?

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60. What would you do with an extra \$100,000?

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61. What is the compensation structure of ownership and management? Are cash transactions included in gross sales/revenues and/or included in personal income?

Name	Title/Position	Compensation
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<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

62. Are you satisfied with your level of compensation? What should it be? What is your net worth?

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63. Are the other members of management and ownership team satisfied with their compensation? Should they be? If not, how will you generate the increased profitability necessary to increase them?

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**INVENTORY CONTROL**

64. What is your current level of inventory in dollar terms? Days of sales or production? What is the breakdown between finished goods inventory and raw materials?

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65. Do you use a perpetual or periodic inventory system? What were the variances the last time you reconciled the system to an actual count? Do you track and know how fast each item is turning and its individual profit margin?





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66. What are your inventory control procedures? How are items taken into inventory and how are they issued or withdrawn? Are your storage areas secured? What problems do you have with theft?

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67. How much of your inventory is obsolete? What actions have you taken to get rid of these items? What was the result?

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**PRODUCTION/JOB COSTING**

68. What are your most profitable products? What system do you utilize to monitor and control your product/job costs?

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69. How do you allocate overhead to your product lines or jobs? How do you track labor and material costs for each product or job?

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70. Do you use post-costing procedures to verify costs versus estimates or budgets? Do you use variance analysis to evaluate efficiencies in the production process?

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71. How do you establish standard product or job costs? Are your estimating parameters periodically checked against actual costs and actual operating efficiency levels? I.e. does your system "close the loop" and capture all costs?

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72. Are any parts of your company unionized? Have you ever had a union?

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**SUMMARY**

73. Why did you authorize the survey? Have you ever had any type of business consulting services similar to ours?

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74. What do you know or what have you been told about Newberry & Associates?

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75. What do you expect to learn from the survey? What do you plan to do with the results?

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