

CHARACTERISTICS OF FAILING COMPANIES

They.....

- ___ 1. Have historical losses or marginal profit
- ___ 2. Have an opportunity cost greater than return on investment to owner
- ___ 3. Have a negative cash flow
- ___ 4. Have financial and administrative records/procedures in disarray
- ___ 5. Have a lack of operational and internal controls
- ___ 6. Have a build up of accounts payable
- ___ 7. Have excessive or inadequate inventory
- ___ 8. Have collection problems/significant past due accounts receivable
- ___ 9. Lack planning and budgeting
- ___ 10. Have poor employee attitude
- ___ 11. Have significant employee turnover
- ___ 12. Have poor client/customer attitude

CHARACTERISTICS OF PROSPERING COMPANIES

They....

- ___ 1. Have a 5 year plan
- ___ 2. Have an operating budget
- ___ 3. Have high quality service – minimal returns/complaints
- ___ 4. Have profit centers which are monitored
- ___ 5. Have at least monthly profit and loss reviews with corrective follow up procedures and adjustments
- ___ 6. Have written accounting, operational, payroll and personnel procedures
- ___ 7. Use assets efficiently and effectively
- ___ 8. Are clean, neat and organized
- ___ 9. Have clear delineation of authority and duties
- ___ 10. Have pay for performance based compensation
- ___ 11. Motivate staff daily about goals
- ___ 12. Operate without crisis