



## Year-End Checklist for Business Owners

Looking toward the New Year can leave owners feeling exhilarated, exhausted or somewhere in between. As the year draws to a close, take time to ensure you've covered all the bases and are starting the New Year on solid ground. While our checklist in no way covers every important aspect of your business, we hope it will help you pinpoint areas that may be improved next year.

### Operational Year-End Analysis

1. Did you meet your annual goals? If not, do you know why?
2. Is employee productivity up? Down? Is it a concern?
3. Are profits up? Down? Do you know why? Is there a correlation between an increase or decrease in sales to gross margins?
4. If you sell products, how much is each contributing to gross profit? Can you better manage the components of cost of goods sold for increased profits?
5. If you are in a services industry, do you know profit margins on each service you provide? Are your services cost competitive? Is your profit margin where you would like it to be?
6. Have you reviewed your property and casualty insurance coverages for adequacy? Are your rates still competitive? Is your broker doing his/her job?

### Accounting and Finance

1. Has cash flow been a problem this year? Is it cyclical or ongoing? Do you try forecasting your business? When was the last time you reviewed your billing and credit policies?
2. Where does your annual budget stand? Does your budget process allow for key manager input and buy-in?
3. Are you maximizing your supplier/vendor relationships? Do terms need to be renegotiated?
4. Have you considered taking full advantage of donating unneeded business assets to charity?
5. If you are leaving the company or selling the company in the next two years, do you have an exit strategy? Have you taken the necessary steps to maximize company value?
6. If your company has outstanding debt, have you ensured that you have chosen the most appropriate vehicle for financing? Is this an appropriate time to refinance?
7. Is your accounts receivable situation secure? Are you prepared in case primary customers don't/can't pay?
8. Have you reviewed internal controls to ensure your financial concerns are secure? For example, are duties appropriately segregated to negate the opportunity for embezzling?

### Human Resources

1. If profits are down, have you explored the relationship between employee performance and profit?
2. Have you hit any milestones (for example, the number of employees) in the past year that would impact regulatory compliance?
3. Are incentive compensation plans strategic and aligned with company goals?
4. If employee attrition has increased, do you know why? Is it a concern? Have you implemented a recruiting plan?
5. Do all employees know what's expected of them? Do they have the proper materials, technology and equipment to do their work right?
6. Are employees aware of company goals and how their performance impacts the realization of those goals?
7. In the past year, have you reviewed your insurance and health policies to ensure you are paying for only the options that benefit you, your employees and the company?
8. Are employee benefits cost-effective for the company?
9. Have you taken the opportunity to show employees how much their total salary (salary + benefits) is really worth?
10. Are position descriptions, employee handbooks, safety manuals and other company communications up-to-date?

CFO

Plus LLC

Partners In Growth

*Our mission is to provide information and strategies to business owners and managers for improvement in the effectiveness of its business management so that key objectives can be realized.*

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## Year-End Checklist for Business Owners (cont.)

### *Strategy and Performance*

1. Are you achieving the anticipated annual revenue and profit growth? If not, do you know what obstacles are in the way? Do you plan your growth? Is it written down?
2. Have you arranged a planning session with your key managers to review (or set) the company's strategies and goals for the coming year?
3. Is the production line as efficient as possible? Is down-time higher than last year?
4. Can you reduce the average collection period on your receivables to improve cash flow?
5. Do inventory levels need to be reviewed? Are you storing (and capitalizing) more than needed?
6. Are internal systems affecting profitability? Do employees need to be better trained or educated?
7. Does the company's performance depend on a few key people? Is there any way to cross-train and change this?
8. Is the company operating at or above industry standards?
9. Are you and your employees working harder, yet not realizing the return you expect? What critical performance activities are causing this?
10. Are there new competitors in your market that are impacting your business? Do you have a strategy for this? When was the last time you did a competitive comparison?
11. Are you minding the business of your business? Is your strategy in place to take you through the next year? What worked during the past year? What didn't work?
12. Do you have a disaster plan in place and business interruption insurance in case of a disaster?

This short list offers areas to consider to ensure your business operates successfully. Give us a call so we can discuss these and others that may be affecting your company. We can help you make changes now that are sure to make improvements in the way you operate your business in the coming year.