

Business Health Checks

Is your business fit to face the rigours of today's business life?

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A Dei Lucrui Whitepaper

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Abstract

In today's business environment, more than ever before, it is essential to regularly look at your business and make sure that it is still fit to perform at the highest level. This paper looks at the key elements of a business and what such a health-check should cover.

Nigel Girling is a seasoned executive with more than 20 years experience of forming, growing and driving successful IT Professional Services businesses. He uses his direct experience to show how to use the basic sales pipeline as a tool to grow a services based business.

Nigel has lived and worked in the UK, Africa, The Middle East and Europe, worked extensively in the USA and consulted in Australia and Asia. He has held Senior roles in Major Multi-National Corporations and has ran and worked with small start-up businesses.

Introduction

To succeed, a business needs to be flexible and change to cope with the varying needs of it's customers and the environment around it. With the pressure of monitoring customers needs, tailoring product offerings, keeping staff up to date and chasing business, its easy to ignore the need to look inside at the business and make sure that, with all the changes happening, the business itself is still healthy and able to cope with the ups and downs of business life.

A business health check provides an opportunity to make sure the health of the business is sound and to prescribe a set of actions that can be undertaken to return any areas at risk, to top condition.

What is a Business Health Check?

A Business Health Check is an external point-in-time view of a business. It contains the following steps:

- Understanding – Background to the business, its products, its processes, its people, its markets, its partners and its customers
- Analysis – Examine each element of the business and compare against Industry best practices
- Presentation of findings – Present the results of the exercise back to the management team
- Recommendations – Make specific recommendations to address areas where opportunities for improvement have been identified.

It is also important to understand that a Business Health Check is not a magic potion that can save a dying business nor is it a short-cut to success! It is a process that will highlight how a business is performing across the range of activities it needs to conduct in order to pursue its business.

Why would I want a Business Health Check?

A health check will demand time from a business' management team, and always provides an opportunity for unexpected (and unwanted) issues to be uncovered. So why would a business want to put itself through this experience?

Just as a car needs to be serviced regularly, if a business is to perform as well as it can, it needs to check that everything is still working as intended, that the direction it is taking, is still appropriate to reach its goals, and that the environment the business exists in hasn't changed to negatively impact the business.

Other specific reasons for a health check include:

- To prepare for change
- To provide evidence of good management (e.g. during a sale or IPO)
- To uncover the root cause of an issue

Generic or Specific?

When time is short and the problem areas seem obvious, it can be tempting to 'go straight to the nub of the problem' and spend all of the available time fixing the 'known' issue. It is absolutely essential that the health check is seen as an exercise to look at the entire business.

Too often the obvious problem areas are only symptoms of an underlying problem that has not been identified and dealing with the symptoms will, at best, provide only a temporary respite, and may end up damaging the business further as the underlying issue is masked rather than addressed and resolved.

For these reasons, it is very important for the consultant performing the healthcheck to understand the business prior to making assumptions about any issues and their possible causes and making recommendations. This is why the healthcheck needs to follow a prescribed process and look, objectively, at each business function.

Areas to Cover

Each healthcheck will be tailored to suit the specific business to be examined, but the following list highlights the typical areas covered:

- Product
- Sales
- Marketing
- Finance
- Leadership
- Operations
- Customer Support
- Supplier Management
- Partners

This list covers the generic items to be evaluated and may be supplemented by additional areas for a specific business.

Typically, within each area the healthcheck will examine process maturity, staff competence, management competence, measures and performance.

The Method

The high level project plan for a simple healthcheck would look something like the following:

- Data Gathering
 - Interviews
 - Group Sessions
- Analysis
- Comparison with benchmarks/Best Practises
- Formulate recommendations
- Deliver results
 - Prepare presentation
 - Deliver presentation

The time taken to complete the healthcheck depends on a number of factors including the complexity and size of the business, the objectives of the healthcheck, the available time, etc.

It is important to clearly identify the objectives of the healthcheck exercise, and agree on what can and will be achieved in the timescales available.

The Presentation

At the end of the healthcheck exercise, the results are delivered in a face-to-face presentation. This ensures that messages are delivered clearly, and any questions can be quickly dealt with.

The basic requirements of a good post healthcheck presentation are as follows:

- Reiterates method
- Exposes analysis
- States findings
- Makes recommendations

The face-to-face delivery of the findings and recommendations ensures understanding, allows qualified Q&A and ensures the required audience is engaged.

Options

If required, the presentation can be supported by an additional written report, which highlights the findings and recommendations. This should be used to support the presentation rather than replace it.

It is also possible to have a formal proposal to address the key issues and support the implementation of the recommendations.

Call us NOW on 01933 665 186 to arrange a healthcheck for your business, or eMail us at Info@Dei-Lucrii.com.

Visit our web-site at www.Dei-Lucrii.com