

GROWING YOUR OWN BUSINESS: A WORKBOOK

EXERCISE 1.15

DEFINING TARGETS

What large ambitions — “Big, hairy, audacious goals” in management-speak — do you have for your business?

What are your overall targets:

- > For year 1?

- > For year 5?

- > For year 10?

Can you set more detailed targets for your business’ performance?

Financial	Next year	Next year + 1	Next year + 2
Sales			
Gross profit			
Net profit			
Your own salary			
Total promoters/ management team remuneration			

Customers	Next year	Next year + 1	Next year + 2
Number of customers			
Average purchase per customer			
Average purchase per customer – units of product/service			

Products/services (each of the business' top three products/services)	Next year	Next year + 1	Next year + 2
Percentage of total sales accounted for by:			
> Product/service 1			
> Product/service 2			
> Product/service 3			
Number of products made/ hours of services supplied for:			
> Product/service 1			
> Product/service 2			
> Product/service 3			
Average cost of each unit of product made/cost of service provided per hour for:			
> Product/service 1			
> Product/service 2			
> Product/service 3			



Assets and liabilities	Next year	Next year + 1	Next year + 2
Fixed assets			
Cash			
Stock on hand			
Money due by customers			
Money due to suppliers			
Total Working Capital			
Less Borrowings			
Total Net Worth of Business			
Equity contributed by promoters and management team			
External equity			
(External equity as a % of total equity)			
Profits retained			
Total Shareholders' Funds			

Other measures	Next year	Next year + 1	Next year + 2
Number of staff (including promoters and management team)			
New products/services			
Percentage of total sales accounted for by new products in the first year			
New customers won			
Percentage of total sales accounted for by new customers in first year			

What new customer types can you reach:

- > With your existing products/services?
- > With new products/services?

What new products/services will you introduce?

When?

What stage are they at now?

What market demand do you expect for each?

What competitive reaction do you expect for each?

Which of the following factors are important to the market? For each factor that is important to the market, what targets will you set for improvement and how will you reach them?

Product features (specify what these are)	Importance to market	Target for improvement	Method of improvement
Quality of products			
Range of products			
Customer service			
Marketing			
Price			
Location			
Delivery			
Image			
Other (specify what these are)			

Do you expect important changes in these factors?
 If "Yes", what are these changes?
 How can you capitalise on them?

How will you measure the success of your business in the future?

