

GROWING YOUR OWN BUSINESS: A WORKBOOK

EXERCISE 2.2

A REALITY CHECK: PRESENT VS FUTURE

Look back at the exercises **1.15 Defining Targets** and **2.1 How Has Your Business Done So Far?**, and identify the gap between your present situation (as shown by "Last Year" in the first exercise) and your future plan (as shown by "Next Year + 2" in the second exercise). Use a scale of 1 to 10 (where 1 signifies a small gap and 10 signifies a gap that is impossible to close).

Financial	Present situation	Future plan	Size of Gap
Sales			
Gross profit			
Net profit			
Your own salary			
Total promoters/management team remuneration			

Customers	Present situation	Future plan	Size of Gap
Number of customers			
Average purchase per customer			
Average purchase per customer - units of product/service			

Products/Services	Present situation	Future plan	Size of Gap
Percentage of total sales accounted for by each of the business' top three products/services:			
> Product/service 1			
> Product/service 2			
> Product/service 3			
Number of products made/hours of services supplied for each of the business' top three products/services:			
> Product/service 1			
> Product/service 2			
> Product/service 3			



Products/Services	Present situation	Future plan	Size of Gap
Average cost of each unit of product made/cost of service provided per hour for each of the business' top three products/services:			
> Product/service 1			
> Product/service 2			
> Product/service 3			

Assets and liabilities	Present situation	Future plan	Size of Gap
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	Present situation	Future plan	Size of Gap
Number of staff (including promoters and management team)			
New products/services introduced			
Percentage of total sales accounted for by new products in first year			
New customers won			
Percentage of total sales accounted for by new customers in first year			

Product features (specify what these are)	Present situation	Future plan	Size of Gap
Quality of products			
Range of products			
Customer service			
Marketing			
Price			
Location			
Delivery			
Image			
Other (specify what these are)			

Wherever the size of your gap appears as 7 or greater on the scale, you may want to revisit your initial plans and to amend them to something more achievable.