

WHERE DOES YOUR COMPANY FIT?

Scan the six vertical columns below, describing the business characteristics of the stages of growth. Then locate and circle the characteristics that best describe your company. A pattern should begin to emerge, identifying your company's stage of growth, primarily in a single vertical column. All your circles may not be confined to one column, however, because some business functions will be more developed than others.

BUSINESS CHARACTERISTICS						
GROWTH STAGES	1 CONCEPT	2 INCEPTION	3 SURVIVAL	4 GROWTH	5 EXPANSION	6 MATURITY
Company Objectives	<ul style="list-style-type: none"> Clarifying Vision Defining Market Needs Establishing Competitive Niche and Brand Image Creating Platform to Expand Products and Services Vertically and Horizontally 	<ul style="list-style-type: none"> Obtaining Customers & Cash Producing Product or Service 	<ul style="list-style-type: none"> Expanding Revenues Cost Awareness Quality Consciousness 	<ul style="list-style-type: none"> Maintaining Perspective (Reality vs Euphoria) Coordinating Resources Balancing Today's & Tomorrow's needs 	<ul style="list-style-type: none"> Financing Growth Maintaining Control, Enthusiasm & Commitment 	<ul style="list-style-type: none"> Expense Control Productivity Global Penetration Management of Market Niches
Structure of Organisation	<ul style="list-style-type: none"> Virtual Strategic Alliances 	<ul style="list-style-type: none"> Informal Management by Founders 	<ul style="list-style-type: none"> Simple Expanded Management Team 	<ul style="list-style-type: none"> Centralised Autonomy Blurred Accountability 	<ul style="list-style-type: none"> Products or Markets Functional Accountability 	<ul style="list-style-type: none"> Decentralised Functional/Product Accountability
Management Style	<ul style="list-style-type: none"> Entrepreneurial "One-Man Band" 	<ul style="list-style-type: none"> Entrepreneurial Consensus Decision-Making 	<ul style="list-style-type: none"> Entrepreneurial Management by Walking Around 	<ul style="list-style-type: none"> Conflict Between Formal and Informal Multiple Entrepreneurs Decreasing Contact with Employees, Customers 	<ul style="list-style-type: none"> Delegation of Authority to Professional Management Reduced Entrepreneur Involvement 	<ul style="list-style-type: none"> Redeployment of Management Talent Management by Objectives
Products & Markets	<ul style="list-style-type: none"> Identifying Customer Needs Providing Convenience (Variety, Pricing, Speed) 	<ul style="list-style-type: none"> Single Product Limited Channels and Market 	<ul style="list-style-type: none"> Gaining Repeat Customers Expanding Channels 	<ul style="list-style-type: none"> Broadened Line Focused Channels International Trade 	<ul style="list-style-type: none"> Extended Geographic Coverage New or Enhanced Product Lines, Markets & Channels 	<ul style="list-style-type: none"> Maintaining & Defending Market Position Repackaging or Revitalising Seeking or Expanding Market Niches
Major Expenditures	<ul style="list-style-type: none"> Designing/Developing Products/Services, Technology Applications, and Brand R&D/Licensing 	<ul style="list-style-type: none"> Prototype of Product 	<ul style="list-style-type: none"> Customers Human Resources 	<ul style="list-style-type: none"> Plant & Equipment Inventory & Receivables Management Reporting Systems 	<ul style="list-style-type: none"> Broadened Operating Capabilities Geographic & Channel Expansion 	<ul style="list-style-type: none"> Equipment to Reduce Product Cost Building Competitive Barriers
Sources of Financing	<ul style="list-style-type: none"> Owners Friends Relatives Suppliers Customers Venture Government Grants 	<ul style="list-style-type: none"> Owners Friends Relatives Suppliers Customers Venture Government Grants 	<ul style="list-style-type: none"> Banks Government Grants Leasing 	<ul style="list-style-type: none"> Institutional New Partners Profits 	<ul style="list-style-type: none"> Capital Markets Profits Joint Ventures Licensing 	<ul style="list-style-type: none"> Cash Flow International Financing Divestiture of Segments

WHAT ARE YOUR MOST SERIOUS MANAGEMENT CONCERNS?

After you've identified your company's growth stage, use the chart below, to focus on the management concerns, you're facing now – and may face at the next stage of business growth. It may be helpful to first circle current concerns, as a step toward seeking solutions.

MANAGEMENT CONCERNS						
GROWTH STAGES	1 CONCEPT	2 INCEPTION	3 SURVIVAL	4 GROWTH	5 EXPANSION	6 MATURITY
Cash Management	<ul style="list-style-type: none"> Access to Angel/VC Network Management by Checkbook Valuation of Business 	<ul style="list-style-type: none"> Negative Balances Taxes Delayed 	<ul style="list-style-type: none"> Cash Outflow Exceeding Inflow Marginal Bank Balances Surprised Lenders 	<ul style="list-style-type: none"> Bankability High Leverage Absence of Financial & Tax Strategy for Generating Cash 	<ul style="list-style-type: none"> Debt Service Exceeding Cash Flow Prohibitive Covenants Customers Demand Special Terms 	<ul style="list-style-type: none"> Sustained Periods of Negative Cash Flow No Formal Investment Strategy
Asset Management	<ul style="list-style-type: none"> Controlled Spending on Promotion, Networking and Travel 	<ul style="list-style-type: none"> Not Conserving Cash Imprudent Purchasing 	<ul style="list-style-type: none"> Poor Turnover of Assets Emphasis on Sales vs Profit Buying vs Leasing Inadequate Capital 	<ul style="list-style-type: none"> Excessive Increases in Overhead and Personnel Inventory Shortages or Imbalances Vintage Receivables Short-term Financing 	<ul style="list-style-type: none"> No Coordination of Operating Plan with Financial Conditions No ROI and Capital Investment Analysis 	<ul style="list-style-type: none"> Declining Margins Business Segments Not Evaluated for ROA Capital Projects Not Linked to Sustainability of Business No Capital Budget
Marketing	<ul style="list-style-type: none"> Not Developing Meaningful, Unique Product Attributes Lack of Identity and Brand Awareness 	<ul style="list-style-type: none"> Getting Above Noise Level of Competitors Low Market Acceptance Potential Loss of Vendors of Customer 	<ul style="list-style-type: none"> Cost Pressures on Quality of Product or Customer Service Predatory Competitors Low Repeat Business Product Failures 	<ul style="list-style-type: none"> Absence of Market Feedback High Product Returns or Write-Offs Not meeting Sales Targets Growing Backorders Competitor "Knockoffs" Customer Complaints No Strategic Marketing Plan 	<ul style="list-style-type: none"> Not Meeting Volume & Mix Targets Low Growth Shrinking Market Share Not Relating Marketing Expenses to Sales Targets No Key Account Programmes 	<ul style="list-style-type: none"> Not Low Cost Provider No Evaluation of the Profitability of Channels No Assessment of Advertising & Promotion Effectiveness
Organisational Behaviour	<ul style="list-style-type: none"> Adapting to Environment Real-Time Continuous Evaluation Acting Swiftly – Leaving Details for Later 	<ul style="list-style-type: none"> "Emperor's New Clothes" Syndrome 	<ul style="list-style-type: none"> Absence of External Advice Denial of Internal Feedback 	<ul style="list-style-type: none"> Emergence of "Peter Principle" Avoidance of Difficult Decisions About Roles, Authority & Responsibility 	<ul style="list-style-type: none"> New Executives' Values Clash with the Culture Layers Slow Decision-Making Lack of Delegation 	<ul style="list-style-type: none"> Reduced Communication & Cooperation Among Functional Units Unhealthy Competition for Power
Management Reporting	<ul style="list-style-type: none"> Virtual Network 	<ul style="list-style-type: none"> Keeping Running Total in Head No Budget 	<ul style="list-style-type: none"> Late Data Unanticipated Results; No Feedback No Interim Reports 	<ul style="list-style-type: none"> Budget is the Plan No Flash Reports Overridden or Inadequate Internal Systems No Strategic Planning No Contingency Planning 	<ul style="list-style-type: none"> No Feedback & Analysis of Profitability & Performance No Buy-in to Operating Plans Blurred Accountability for Corrective Action 	<ul style="list-style-type: none"> Control Systems Not Documented Measurements Not Related to Success Factors Reporting Not Tied to Management Incentives
Information Systems/Internet Solutions	<ul style="list-style-type: none"> Initial PC/Internet Applications 	<ul style="list-style-type: none"> Selecting Best System at Lowest Cost Application Support Security of Data 	<ul style="list-style-type: none"> Upgrading Without Assessing Needs, Alternatives & Employees 	<ul style="list-style-type: none"> Developing Customised Applications Systems Non-Responsive to Customers & Employees Being a Guinea Pig No Systems Plan No Decision Support 	<ul style="list-style-type: none"> No Timely Reports on Sales, Inventory, Key Customer Positions Information Systems Driving the Business No Disaster Recovery Plan No Control Environment 	<ul style="list-style-type: none"> Absence of Integration for Business and Systems Plans Inability to Selectively Analyze Customer & Product Data

TRY ANOTHER PERSPECTIVE. For a broader look at your business, give copies of this diagnostic to other members of management and your advisors, and compare their assessments to yours. By sharing opinions, you'll be able to better anticipate problem areas and plan for the future.