



Best practices for companies moving to the next level  
Friday, May 25, 2007

**In this issue...** 14 key reports for business owners & managers

For the Recommended Reading List from SmartGrowth, Inc., [click here](#).

"You can only expect what you inspect." (anonymous)  
Whatever you measure in a business, will improve.

### **7 Synergies of Business Success**

1. Grow from the inside out.
  2. Develop a brand promise and live it daily
  3. Put people first.
  4. Hire leaders and managers.
  5. Values validate valuation.
  6. Lead to create and maintain value.
  7. Monitor, monitor, monitor
- ...whatever you measure will improve.  
Plus...The quality of the company is directly proportional to the quality of the CEO.

For an article about the 7 Synergies of Business Success [click here for the article](#).

### **Opportunity:**

**Free Assessment** To see how you stack up against other growing companies, complete the 7 Synergies of Smart Growth Assessment - write [info@smartgrowth.com](mailto:info@smartgrowth.com) or [click here for the assessment](#)

[Click here](#) to order Pam Watson Korbels book "More Money, Less Work, More Fun™! 123 ideas for smart growth in today's business environment."

1. **Daily sales contacts** – The engine of sales is contacts (telephone, e-mail, face-to-face, proposals) made daily to prospects and customers.
2. **Daily Flash Report** – Ask accounting to provide a one-page report daily that shows the end-of-the-day balances in each banking account, line of credit, accounts receivable and accounts payable.
3. **Weekly pipeline report** – Each sales person should provide a Friday night report naming new prospects, new proposals, prospect process, and closed work for the week. That information should be used to update a sales forecast.
4. **Accounts receivable** – Finish the week by reviewing all accounts receivable and creating special instructions for following up on past due accounts the following Monday morning.
5. **Accounts payable** – When you review accounts payable weekly (right after accounts receivable), then you will keep a profitable perspective on your business. You will not spend the new money coming in before you pay the bills in hand.
6. **Back orders** – New sales orders may not be good news if you have not delivered what you previously promised.
7. **Employee overtime** – Overtime affects morale and profit. By measuring overtime, you will keep better tabs on the performance level of employees and the need to add new positions.
8. **Employee absenteeism** – An employee who misses Monday one week and Friday the next averages four work days a week. However, your perception may be much different. Track time off so that you always have numbers to match perceptions.
9. **Productivity** – Each business needs to create its own metrics of productivity. For service businesses, this could relate to number of sales dollars per employee hours. For product businesses, it could be number of products sold per employee hour.

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10. **Profit/Loss Statement & Balance Sheet** – Review these financial statements by the 10<sup>th</sup> of the following month. Highly profitable companies practice fiscal fitness.
11. **Return on advertising and marketing** – Advertising and marketing are the “sexy, fun” part of business. However, they must achieve results. Every month, calculate the number of sales dollars generated from each dollar of advertising/marketing. For example, if you spend \$300 on a post card mailing that generates \$3,000, you have a 10:1 return.
12. **Performance Evaluations** – Keep a list of due dates for employee evaluations and check up twice a month to ensure that no one will receive a late evaluation. The surest way to kill morale is to delay evaluations.
13. **Morale Survey** – Find a simple, one-page (or less) morale survey and administer it quarterly. Then, benchmark against yourself.
14. **Annual business valuation** – After you close out a fiscal year, ask your CPA or a financial consultant to run a valuation of your business. Then, benchmark against yourself from year-to-year.

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-----**More money, less work, more fun!**<sup>TM</sup>  
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