

Qimono Virtual Business Advisor

YOUR PATHWAY TO BUSINESS EXCELLENCE



BUSINESS READY

Demo Company



1 Introduction

This is your personalized business ready assessment provided by the Virtual Business Advisor. Use the assessment as an operational plan for organizational development and review these questions frequently to ensure continuous improvement.

This assessment provides 'food for business thought' of typical challenges faced when starting a business.

2 Business Readiness

A lot of businesses open their doors to find that there are some vital resources, processes, and capabilities missing. Business managers need to know how ready they are for business and they must have a plan to build the capabilities and capacity to succeed.

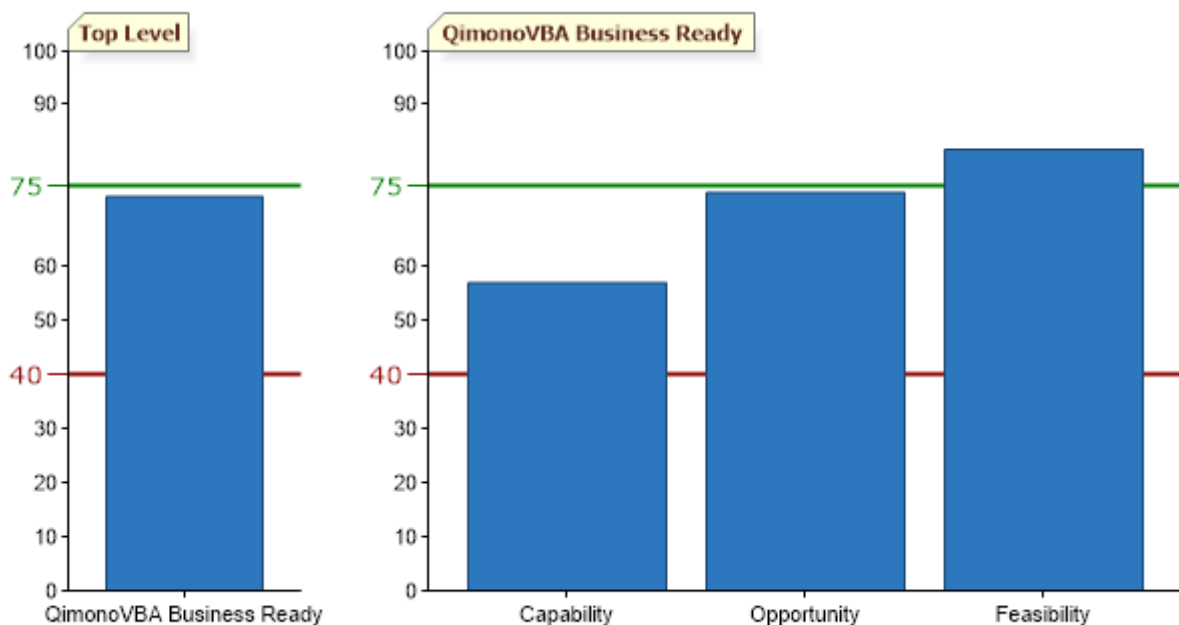
These questions are designed to take an overview of the whole business and identify critical areas that need addressing to help your start-up aspirations succeed.

In order to help you make the most of the information provided in this report, we have provided ideas and resources that you should take advantage of.

3 High Level Executive Summary

The results highlight the areas that need attention.

- If you have reached the **green line**, you have most things in place under this category and everything is working fairly well.
 - If you fall below the **red line**, consider serious and urgent attention to these areas that are holding you back.

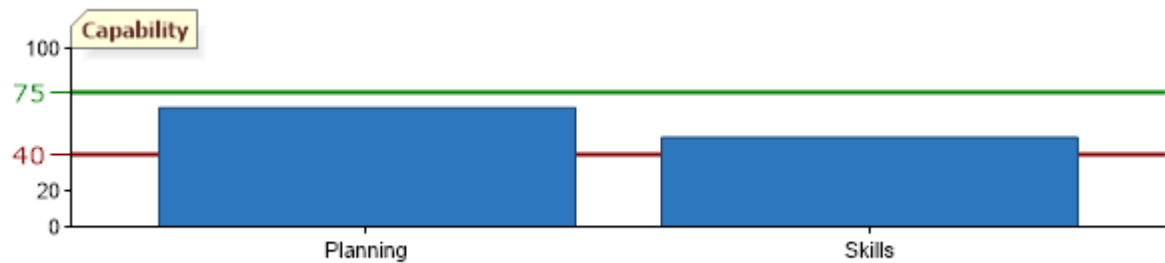


4 Detailed Results

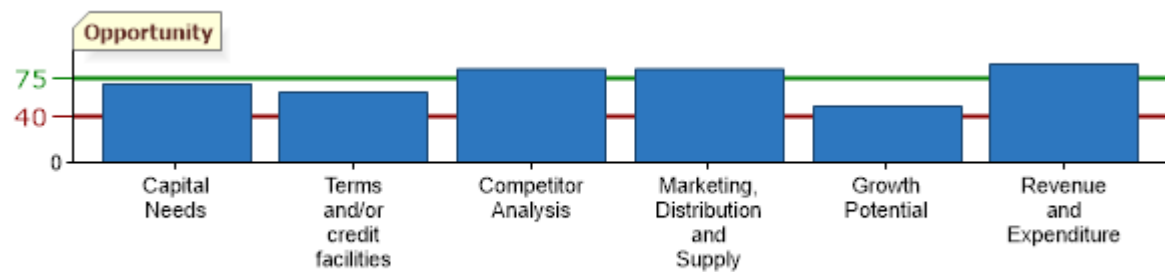
Drilling down further enables you to get focused on the real issues you need to address. **As a reminder:**

- If you have reached the **green line**, you have most things in place under this category and everything is working fairly well.
- If you fall below the **red line**, consider serious and urgent attention to these areas that are holding you back.

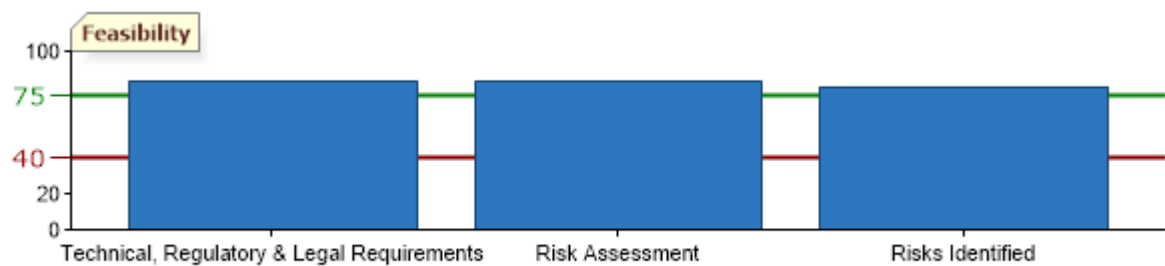
1. CAPABILITY



2. OPPORTUNITY



3. FEASIBILITY



5 Responses and Suggestions

The table below gives suggestions and links to organizations, training courses, and online materials that will help improve your business, particularly in the areas where you have identified weaknesses. The resources are listed in the order of priority:

- Sections labeled in **red**, are priority areas to work on. Consider exploring these areas first before moving on.
- Sections labeled in **orange** are opportunities for improvement. After you have addressed the priority areas, take a look at other aspects of your business that could be improved.
- Sections labeled in **green** are your strengths. You excel in these particular areas so keep up the good work!

PRIORITY AREAS TO WORK ON

Ref	Question	Response
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A2.2	Do you have experience in the industry you want to get into?	No
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This question is seeking experience in the industry either as an employee or running a business - for practical involvement on a day to day basis.

Suggested Resources

[Starting a Business](#)

How-to guides, articles, and training modules explaining what it takes to start to business.

[US Small Business Administration: Thinking About Starting a Business?](#)

These resources will help you learn about what it takes to start a business.

[Entrepreneur.com: Start-Up Basics](#)

Useful articles that explore various considerations to take into account when starting a business.

B1.4	Will you be extending terms or credit to your customers?	Yes
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Monthly settling of accounts is common and expected in a number of industries. If so, credit control advice can be given to you by your mentor.

Suggested Resources

[Accounting & Finance](#)

Learn how to understand the basics of accounting and finance. Topics include how to fund your business, organize books, and more.

[US Small Business Administration: Extending Credit to Your Customers](#)

This article will assist you with weighing the rewards and risks associated with extending credit to your customers.

[NFIB.com: Extending Credit to Customers](#)

If this is the first time you are running a business, this article will walk you through what it means and what it takes to extend credit to customers.

Ref	Question	Response
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B2.4	Have you identified and described your main customers?	No
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What types of customers are being targeted? Who and where are they? What are their characteristics i.e. gender, age, preferences? Can they be put in market "segments"? Are there many or few? Is the business vulnerable if there are a small number of major customers? How "sensitive" are they to key variables like price, quality, and service?

Suggested Resources

[Market Research Techniques](#)

Market research can provide critical information about current and prospective customers. This article discusses some of the most common market research methods.

[Gaebler Ventures: The Best Customer Research Methods](#) - This article highlights key tips and strategies for identifying and describing your main customers.

[US Small Business Administration: Understand Your Market](#)

Useful tips and resources that will help you learn about your customers, competitors and your industry.

[Entrepreneur.com: Conducting Market Research](#)

This article will provide you with steps and advice on how to conduct quality market research.

B5.1	Have you identified who you will need to employ and how many as your business grows?	No
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Have you considered what expansion would mean to the management of the business? Growth may require employing people. Will they be full time or part time? Will employees need to be put on a formal contract?

Suggested Resources

[Recruiting and Hiring](#)

Hiring the right employee requires defining job descriptions and duties, and learning where to search for qualified candidates, how to interview them, and more.

[Gaebler Ventures: Making HR Easy](#)

These articles give good advice on recruiting, hiring, firing and retaining employees.

[US Small Business Administration: Hiring and retaining staff](#)

Ready to hire employees for your business? Learn about employment and labor laws to make sure your business is in compliance.

C3.4	Have you considered potential investors other than banks?	No
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If so, what is the business relationship with such investors? Are they taking a share as an equity "investor"? What terms are acceptable to both parties?

Suggested Resources

[Finding Finance](#)

There are many ways to fund a small business. Consider your options for finding financing and decide which one is right for you.

OPPORTUNITIES FOR IMPROVEMENT

Ref	Question	Response
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A1.1	Have you written a business plan for the idea?	Somewhat
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For a business to successfully get off the ground, there must be a strategic plan. A business plan is a formal statement of a set of business goals, and the plan for reaching those goals. Writing a business plan should be your first step in starting a business.

Suggested Resources

[Business Plans](#)

Are you ready to start a business? Looking for small business ideas? First step: learn how to write a business plan with our business plan template and examples.

[Entrepreneur.com: Business Plan Guidelines](#)

This link will direct you to Entrepreneur.com's Business Plan Guidelines page, where you are able to access articles that will provide you with tips creating a business plan.

[US Small Business Administration: Create Your Business Plan](#)

The SBA assists Americans with starting, building, and growing businesses. With this link, you will find step by step guidelines for writing a business plan, as well as other related resources.

A1.3	Are you doing a business plan mainly as a means to obtain funding?	Somewhat
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What is the purpose of the plan? The reason(s) why you are starting a business will be an important factor in motivating you to write a plan, as well as influencing the format of the plan.

Suggested Resources

[Business Plans](#)

Are you ready to start a business? Looking for small business ideas? First step: learn how to write a business plan with our business plan template and examples.

[Entrepreneur.com: Business Plan Guidelines](#)

This link will direct you to Entrepreneur.com's Business Plan Guidelines page, where you are able to access articles that will provide you with tips creating a business plan.

[US Small Business Administration: Create Your Business Plan](#)

With this link, you will find step by step guidelines for writing a business plan, as well as other related resources.

A2.2a	Do you have relevant work experience or other practical experience (hobbies, skills) that will help the business?	Somewhat
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This question is looking at other areas of work where similar skills might be used. How much "hands on" practical experience can be demonstrated? The stronger the link to the business purpose the greater the relevance.

Suggested Resources

[Checklist for Assessing Personal Strengths & Weaknesses](#)

This worksheet will help you identify your strengths and weaknesses by asking you to rate yourself in several areas that are important to small business ownership.

[US Small Business Administration: Thinking About Starting a Business?](#)

These resources will help you learn about what it takes to start a business.

[Entrepreneur.com: Start-Up Basics](#)

Useful articles that explore various considerations to take into account when starting a business.

Ref	Question	Response
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A2.3	Have you researched the qualities that make a successful business owner and identified your strengths and weaknesses against these?	Somewhat
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What skills are missing? How can training and mentoring programs help overcome deficiencies? What might be required to enhance your strengths? Is there a need to rely on subcontractors? Have they been identified?

Suggested Resources

[Checklist for Assessing Personal Strengths and Weaknesses](#)

This worksheet will help you identify your strengths and weaknesses by asking you to rate yourself in several areas that are important to small business ownership.

[US Small Business Administration: Thinking About Starting a Business?](#)

These resources will help you learn about what it takes to start a business.

B1.2	Have you identified a location for your business that is suitable for your present and future growth needs?	Somewhat
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Are commercial premises required? Do you want to work from home or a similar location? If so, have you checked the restrictions on this? Have you included rent costs while the business is being established?

Suggested Resources

[Entrepreneur.com: Finding & Choosing a Business Location](#)

This link looks at some common mistakes made when choosing a location.

[Equipment](#)

Learn how to manage your office equipment effectively.

B2.2	Have you identified and written down how your product or service will satisfy market needs?	Somewhat
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This is the business "purpose" which identifies the problem that customers of the business want solved. What does your business do that will make a difference? List your products and services. What need are they fulfilling? Why is this need not already being met? How well do they service their target markets?

Suggested Resources

[Gaebler Ventures: Market Research](#)

With this link, you will get to know your market, understand people's buying behaviors, and base your product or marketing plan on that knowledge.

[US Small Business Administration: Understand Your Market](#)

Useful tips and resources that will help you learn about your customers, competitors and your industry.

[Entrepreneur.com: Conducting Market Research](#)

This article will provide you with steps and advice on how to conduct quality market research.

Ref	Question	Response
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B3.1	Have you identified and described your competitors?	<i>Somewhat</i>
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This question is looking for understanding of the market and who you will be competing against. How many? What share of the market does each of them hold? How long have they been there?

Competition also arises from established businesses with related products or services. i.e. taxis vs. buses. Defining the business "purpose" can clarify actual and potential competitors

Suggested Resources

[Effective Competitive Analysis](#)

A competitive analysis allows you to identify your competitors and evaluate their respective strengths and weaknesses. Learn more about competitive analysis.

[ANZ:Developing your Competitive Advantage](#)

This guide offers you some hints on how you can identify, develop and test your business's competitive advantages.

[Gaebler Ventures: Competitor Strategies](#)

A list of articles that will help you assess how you measure up to your competitors, and how to address your current competitive scenario and future competitive moves

B4.2	Have you identified how you will get your products/services to your customers?	<i>Somewhat</i>
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Identify the key method of distribution. Is this method appropriate to customers as well as to you as the business owner? If using distributors, how will that affect your operations and your expenses?

Suggested Resources

[Gaebler Ventures: Logistics and Shipping](#)

For companies selling goods and products, shipping and other logistical expenses may be a significant expense. These articles explain the in's and out's of what you will need to consider when planning for product distribution

[ANZ:Building Strategic Alliances](#)

This guide looks at some of the reasons for forming strategic alliances and the benefits flowing from such alliances.

Ref	Question	Response
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B6.3	Have you priced your products and/or services?	<i>Somewhat</i>
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On what basis was this done? Do you know the main ways to price your products and services?

Suggested Resources

[Pricing Q & A's](#)

Pricing strategies and the price you charge your customer have a direct impact on the success of your business. Read our Q&As on pricing.

[Top Six Pricing Mistakes](#)

When you need to determine the price for your products and services, beware of the common pricing mistakes described in this article.

[Entrepreneur.com: Pricing a Product](#)

Useful article to help you determine how to properly price your products.

[Starting Costs Estimator](#)

To calculate the cost to start a business, use the start-up cost calculator.

[ANZ :Pricing Strategy made Easy](#)

This guide explains the different ways of pricing your goods and services.

C1.2	Do you have or will you have all the permits and licenses required for the business?	<i>Somewhat</i>
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Many businesses need permits or licenses from central or local government. If there are statutory requirements, then you must show that you can achieve the requirement before commencement of business. If the requirement is not statutory, but recommended then you should demonstrate that you are in the process of attaining the requirement.

Suggested Resources

[Compliance and Policies](#)

Some of the things you need to consider to meet regulations

[USA Small Business Administration: Obtain Business Licenses and Permits](#)

To run your business legally, there are certain federal and state licenses and permits you will need to obtain

Ref	Question	Response
C2.1	Have you identified the risks you face in starting a business?	Somewhat

Have you considered how the business will impact your family or personal life? What would happen to the business if you or your partner were to be incapacitated or become sick? Are there any physical risks in operating the business? What contingency plans have been considered? Does the business rely on a key asset, such as a vehicle? What condition are it and the back-up equipment in? Do you understand the risks involved in starting a business? Without support most businesses fail within the first two years, but the odds increase with mentoring and similar support.

Suggested Resources

[Entrepreneur.com: Start-Ups](#)

Useful articles that explore various considerations to take into account when starting a business.

[Entrepreneur.com: Risk Management](#)

This article defines risk management and contains advice on how to manage risk when starting your business.

[Gaebler Ventures: Small Business Failure](#)

These articles take a look at business failure rate statistics and examine reasons why small businesses fail and how entrepreneurs can protect against failure.

YOUR STRENGTHS

Ref	Question	Response
A1.2	Have you written down your business goals, vision and mission statement?	Yes

Do you have a vision that states where you want the business to be at a specific time in the future? A mission statement may capture this in a single statement of intent. Has this been done? Have you detailed what you want to achieve in your business in the first three years? For the longer term? Are your business goals compatible with your own personal goals? If the business is a means to an end, what is that end?

A2.1	Have you run a business before?	Yes
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The amount of experience available to support the opportunity is important and a strong indicator to future success. How long ago was this? What happened?

B1.1	Are you buying a business or franchise?	Yes
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B1.1a	Have you sought legal or valuation advice on the purchase?	Yes
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This is essential before entering any contractual arrangements. If you do not have a lawyer, seek advice from the facilitator on this.

Ref	Question	Response
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B1.3	Do you know what working capital you need for the first six months of operating the business?	Yes
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How was the figure derived?

B2.1	Have you done any market research for the idea?	Yes
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Have you established that there is demand for your product or service? How much? Can you take advantage of this or does it rely on future events? Markets are always in a state of change due to technology, imports, local and overseas trends etc. What research has been done to show where the market is now and where it will be in the future? Is it stable, growing, or declining? Is "fashion" an issue? In what ways is this market "attractive"?

B2.3	Have you identified and described your competitive advantage?	Yes
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Competitive advantage is critical to many successful businesses. Why would someone buy this particular product or service? And why from them? What is unique about the product or service? Do you have a market niche? If so, could this constrain growth?

B3.2	Have you compared the quality and price of your products and services with your competitors?	Yes
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Being able to match competitors is important, but so is the right price for the particular quality of the product/service. Lower prices may suggest lower quality to the market.

B3.3	Have you identified and written down the strengths and weaknesses of your competitors?	Yes
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Identifying competitor weaknesses allows you to identify market opportunities. Competitor strengths are one of the threats you face. Do a few competitors dominate the industry? If yes, then why this is so needs to be explored. Is it just because they have been around longer, or do they have some form of protection (i.e. patent)? Describe other relevant characteristics of the industry here. What is the structure of the industry? Are there lots of firms? A few? How easy is it for operators to move in and out of the industry?

B4.1	Have you identified how your product or service will be promoted?	Yes
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List the key components of the marketing strategy. How will the business be launched? How do you expect your product to become known in the market? i.e. trade fairs, field days, markets. What customers will be targeted in the initial marketing program? How will they lure customers away from competitors? How will the competitive advantage identified above, be translated into increased sales? What is the "sales pitch"? Are there special features you need to consider (i.e. is the product or service a "one off" purchase)? Are you going to sell or promote their product or service themselves? If so, do they have the skills for this?

Ref	Question	Response
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B4.3	Have you identified how your own materials and resources will be supplied?	Yes
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Have you thought about possible suppliers? Can they be relied on to provide a service within acceptable timeframes?

B5.2	Have you identified your requirements for premises, plant and equipment as your business grows?	Yes
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Have you considered what expansion would mean for premises? Would the premises for start-up be able to be improved and expanded? (Ask yourself the same question for plant and equipment where applicable.) If the business takes off how easy will it be to scale up?

B6.1	Have you identified all of the sources of income that your business can expect in the first year of operation?	Yes
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Have you identified what the sources of income rely on? Do you want to provide the products or service as a supplement to other sources of income? Are there special features (i.e. seasonality) to consider? If so, are there any issues here?

B6.2	Have you identified the main expenses your business will face in the first year of trading?	Yes
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E.g. Leases, consultants, power, communication etc.

B6.4	Have you discussed tax obligations with the IRS or a tax consultant?	Yes
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It is important to know the tax implications for the business.

C1.1	Have you identified industry rules, requirements and regulations you must comply with?	Yes
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There may also be special qualifications and/or professional memberships required. Have you identified the items (e.g. certification, licenses) you need to acquire? Do you foresee any opposition from the community, environmental or other groups? Are you aware of any regulatory, environmental, or technical barriers you will have to meet?

C1.3	Does your product or service require technical advice before it can be sold?	No
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This might take the form of intellectual property protection, prototype development, modification, etc. If there is a technical component, you may need access to an appropriate consultant in your area.

Ref	Question	Response
C2.2	Have you considered the insurance needs for the business? <i>Do you know the policies that are required and if there would be any problems in obtaining cover?</i>	Yes
C2.3	Have you considered the most appropriate legal structure for your business? <i>The appropriate structure will in part be determined by the level of risk you are prepared to take.</i>	Yes
C3.1	Do you have credit rating issues or similar such as bankruptcy and personal liabilities that will affect your creditworthiness? <i>If so, do you know why this occurred? When? Are there any issues that might restrict your access to finance?</i>	No
C3.2	Have you done an inventory of assets you can sell or use as collateral for the business? <i>If yes, what is their value? How easily can the assets be realized? Will this be sufficient to fund the proposal?</i>	Yes
C3.3	Do you need to take out a loan for the business? <i>Have you met with your bank or finance consultant to discuss finance for the business? Do you know the usual bank lending criteria?</i>	No
C3.5	Have you estimated how much money you think you will need to start the business? How much money can you put towards this? <i>Have you listed the amounts you need and any issues and options to access finance. Has the full range of options been considered?</i>	Yes

6 Conclusion:

It is recommended that you develop this document to become your working plan for improvement by developing your own activities in the critical areas identified. You should then retake the assessment to check on your progress. Once you are above the green line, it is suggested that you use the Business Ready Assessment to get your business up and running.