

Successful business tips

Thoughts for successful business performance

Name of business

Date when
completed

Know your business by knowing your:

1. Offering

How do your products and services differ from those of the competition – to determine this take into account price, quality, appearance, packaging, size, servicing, operating characteristics, and business considerations (e.g. business location and facility, reputation, methods of selling, opening hours, delivery times, credit terms, advertising and promotion, etc)? How could your offering be rebranded or differentiated from the competition? What plans are in place to develop, expand, or improve your offering? Any Plans to outsource/offshore?

2. Operating Capacity

What level of production could be sustained? How would an increase in Production be serviced? If new productive/operating assets are required, how will these be financed? Any obsolete assets that need replacement? Are the productive assets being fully utilised? Are premises in conformity with fire, health, and safety regulations? Are premises sufficient for present needs and could future growth be supported?

3. Human Resources

Is the management structure in place sufficient? Is there a Succession Plan? Staff Turnover – is there cause for concern, and if yes how could this be checked? Are there Key Staff, and what plans are in place if they retire? What backup arrangements are in place in the event of employee absenteeism? Is employees and public liability Insurance in place?

4. Customers

Who are your customers? What do they do? Why, when, and how do they buy your offering? What is their financial worth? What makes them feel good about buying your offering? What do they expect of you and your offering and what is their perception about you and your offering and about the competition and the competition’s offering? With respect to credit sales, is Debtor Turnover Increasing, and if so, is this because of increase in sales, deficient monitoring, or maybe because of Bad Debts? Do you assess a customer’s credit worthiness?

5. Competition

Who are your competitors? What are their strengths and weaknesses? What is known about potential competition? How is the competition monitored to know what it is doing and what it intends to do? What Plans are in place to thwart off the competition, and possibly win market share?

6. Financial Requirements

What are your long-term and short term needs at present, and how are these expected to change in the future? How are financial needs quantified? What security is or could be offered? Are your bankers kept abreast of your financial needs?

It is through knowing your business that you learn about your internal strengths and weaknesses, as well as the prevailing market opportunities and threats. With this knowledge, strategies could be laid to retain and possibly win over customers from the competition, thus growing your business and ensuring success.

7. Know what cashflow is and its source

Do you keep track of your cashflow? Do you plan your long and short term capital needs to ensure sufficient cashflow? Do you prepare a budgeted cashflow?

If you are interested in preparing a budgeted cashflow, reference could be made to our web site, where a suitable cashflow template is freely available.

It is important not to confuse Sales with Cashflow. Cashflow is cash generated from sales, capital, or lending that will be used to fund the operations of the business. In the long-term, a business' cashflow will principally emanate from the right type of sales, i.e. those that are profitable and sufficient to cover all costs and leave a profit.

8. Know how not to be complacent

A business operates in a living and ever changing environment, so you must be alert to new challenges and ready to take the necessary steps to adapt.

9. Know your goals and develop a business plan

From knowledge of your business, set realistic goals of where you want your business to be in the short and medium term, and formulate suitable strategies to reach these goals. Write down these goals and strategies and incorporate them into a Business Plan.

Business plan templates, with user-friendly tips, are freely available on our web site to all users interested in formulating their own business plan.

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