



BUSINESS FINANCIAL HEALTH SELF-ASSESSMENT

Answering this self-assessment can give you further insight into your business's financial health and identify areas for improvement, such as managing debt, accounts receivable, and reinvesting revenue for growth. You can also gain a better understanding of your business's ability to adapt to changing market conditions and industry trends. This information can help you make informed financial decisions and take appropriate action to improve your business's financial health.

Read each question and select your answer.

1 How would you rate the overall financial health of your business?

- Very Poor Poor Neutral Good Excellent Don't Know

2 How would you rate your personal level of Board involvement?

- Completely Unprepared Somewhat Unprepared Neutral
 Somewhat Prepared Completely Prepared Don't Know

3 How well do you understand your business's financial statements (e.g., income statement, balance sheet, cash flow statement)?

- Not at All Only a Little Neutral
 Fairly Well Completely Don't Know

4 How satisfied are you with the profitability of your business?

- Completely Unprepared Somewhat Unprepared Neutral
 Somewhat Prepared Completely Prepared Don't Know

5 How much debt does your business have?

- Overwhelming Debt Significant Debt, but Under Control Neutral
 Very Little Debt No Debt Don't Know



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6 How well do you feel your business is positioned to weather unexpected financial challenges (e.g., economic downturn, major expense)?

- Completely Unprepared Somewhat Unprepared Neutral
 Somewhat Prepared Completely Prepared Don't Know

7 How confident are you in your ability to make informed financial decisions for your business?

- Completely Unprepared Somewhat Unprepared Neutral
 Somewhat Prepared Completely Prepared Don't Know

8 How effectively does your business manage its expenses?

- Very Poorly Not Very Well Neutral
 Fairly Well Very Well Don't Know

9 How often do you review and adjust your business's financial goals and budget?

- Never Rarely Occasionally Often Always Don't Know

10 How satisfied are you with the level of financial support and resources available to your business (e.g., access to capital, accounting services, financial advisors)?

- Very Dissatisfied Somewhat Dissatisfied Neutral
 Somewhat Satisfied Completely Satisfied Don't Know

11 How much of your business's revenue is dedicated to paying off debt?

- More than 75% 50-75% Neutral
 25-50% Less than 25% Don't Know



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12 How well does your business manage its inventory levels?

- Very Poorly Not Very Well Neutral
 Fairly Well Very Well Don't Know

13 How confident are you in your ability to forecast revenue and expenses for your business?

- Completely Unprepared Somewhat Unprepared Neutral
 Somewhat Prepared Completely Prepared Don't Know

14 How often do you monitor and analyze your business's financial performance?

- Never Rarely Occasionally Often Always Don't Know

15 How satisfied are you with the level of financial transparency and communication within your business?

- Very Dissatisfied Somewhat Dissatisfied Neutral
 Somewhat Satisfied Completely Satisfied Don't Know

16 How frequently do you analyze your business's profitability and cash flow metrics?

- Never Rarely Annually Quarterly Monthly

17 How comfortable are you with taking on debt to finance your business's growth?

- Not at All Only a Little Neutral
 Fairly Well Completely Don't Know



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18 How well does your business manage its accounts receivable?

- | | | |
|--------------------------------------|--|-------------------------------------|
| <input type="checkbox"/> Very Poorly | <input type="checkbox"/> Not Very Well | <input type="checkbox"/> Neutral |
| <input type="checkbox"/> Fairly Well | <input type="checkbox"/> Very Well | <input type="checkbox"/> Don't Know |

19 How much of your business's revenue is reinvested back into the business for growth and development?

- | | | |
|--|--|-------------------------------------|
| <input type="checkbox"/> Less than 25% | <input type="checkbox"/> 25-50% | <input type="checkbox"/> Neutral |
| <input type="checkbox"/> 50-75% | <input type="checkbox"/> More than 75% | <input type="checkbox"/> Don't Know |

20 How confident are you in your business's ability to adapt to changing market conditions and industry trends?

- | | | |
|---|---|-------------------------------------|
| <input type="checkbox"/> Completely Unconfident | <input type="checkbox"/> Somewhat Unconfident | <input type="checkbox"/> Neutral |
| <input type="checkbox"/> Somewhat Confident | <input type="checkbox"/> Completely Confident | <input type="checkbox"/> Don't Know |

Answering the above questions will have given you some insight into areas where your business may need more help, or where you need to increase your own financial knowledge. The following sections provide resources that may be useful to you and your team.

Total:

Average:



+ + + + +



Increasing Your Financial Management Knowledge: Book List

▶ **Business Analysis and Valuation:**

Using Financial Statements, Text and Cases by Krishna G. Palepu and Paul M. Healy. This book provides a guide to analyzing financial statements, including financial statement analysis, valuation, and forecasting.

▶ **Business Planning for Entrepreneurs:**

A Step-by-Step Guide to Building a Successful Business by Michael O'Donnell. This book provides a step-by-step guide to creating a business plan, including financial projections and budgeting.

▶ **Financial Accounting:**

An Introduction to Concepts, Methods, and Uses by Clyde P. Stickney, Roman L. Weil, and Katherine Schipper. This book provides an introduction to financial accounting concepts and methods, including financial statements, financial analysis, and financial reporting.

▶ **Financial Analysis and Modeling Using Excel and VBA by Chandan Sengupta:**

This book provides a practical guide to financial analysis and modeling using Excel and VBA, including financial statement analysis, forecasting, and modeling.



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▶ **Financial Intelligence for Entrepreneurs:**

What You Really Need to Know About the Numbers by Karen Berman and Joe Knight. This book provides a practical guide to understanding the financial side of running a business and making informed financial decisions.

▶ **Financial Intelligence for IT Professionals:**

What You Really Need to Know About the Numbers by Karen Berman and Joe Knight. This book provides a practical guide to financial management for IT professionals, including budgeting, financial reporting, and cost management.

▶ **Financial Management for Nonprofit Organizations:**

Policies and Practices by John Zietlow, Jo Ann Hankin, and Alan Seidner. This book provides a comprehensive guide to financial management for nonprofit organizations, including budgeting, financial reporting, and fundraising.

▶ **Financial Planning and Analysis and Performance Management by Jack Alexander:**

This book provides a practical guide to financial planning and analysis, including budgeting, forecasting, and performance management.

▶ **The Art of M&A Due Diligence:**

Navigating Critical Steps and Uncovering Crucial Data by Alexandra Reed Lajoux. This book provides insights into mergers and acquisitions due diligence, including financial analysis, legal considerations, and risk management.

▶ **The Art of Pricing:**

How to Find the Hidden Profits to Grow Your Business by Rafi Mohammed. This book provides insights into pricing strategies for small businesses, including value-based pricing, price discrimination, and dynamic pricing.

▶ **The Art of Profitability by Adrian Slywotzky:**

This book provides insights into maximizing profitability for small businesses, including financial management and business strategy.

▶ **The Balanced Scorecard:**

Translating Strategy into Action by Robert S. Kaplan and David P. Norton. This book provides a framework for aligning financial management with business strategy and helps CEOs to track progress towards their strategic goals.



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▶ **The CFO Guidebook (3rd Edition) by Steven M. Bragg:**

This book provides a practical guide to the role of the CFO, including financial reporting, budgeting, and strategic planning.

▶ **The Entrepreneur's Guide to Financial Statements by David Worrell:**

This book provides a practical guide to financial statements for small business owners, including balance sheets, income statements, and cash flow statements.

▶ **The Essays of Warren Buffett by Warren Buffett and Lawrence Cunningham:**

This collection of Buffett's essays offers valuable insights into the principles of investing and financial management, as well as the mindset of a successful CEO.

▶ **The Financial Times Guide to Investing:**

The Definitive Companion to Investment and the Financial Markets by Glen Arnold. This book provides a comprehensive guide to investing in the financial markets, including stocks, bonds, and derivatives.

▶ **The Intelligent Investor by Benjamin Graham:**

This classic book provides insights into value investing and teaches readers how to analyze stocks and make informed investment decisions.

▶ **The Lean CFO:**

Architect of the Lean Management System by Nicholas Katko. This book explores how CFOs can use the principles of lean management to streamline financial processes and create a more efficient and effective organization.

▶ **The Small Business Owner's Manual:**

Everything You Need to Know to Start Up and Run Your Business by Joe Kennedy. This book provides a comprehensive guide to starting and running a small business, including financial management, marketing, and operations.

▶ **Valuation:**

Measuring and Managing the Value of Companies by McKinsey & Company. This book provides a guide to valuing companies, including financial analysis, forecasting, and modeling.



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Increasing Your Financial Management Knowledge: Helpful Articles

- ▶ "10 Ways Small Business Owners Can Improve Cash Flow" by Katherine Gustafson, for Forbes. This article provides tips and strategies for improving cash flow for small businesses, including managing accounts receivable, reducing expenses, and forecasting cash flow.

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- ▶ "4 Essential Financial Metrics Every Small Business Should Track" by Matt Mansfield, for Small Business Trends. This article provides insights into essential financial metrics for small businesses, including gross profit margin, net profit margin, and Breakeven analysis.

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- ▶ "5 Financial Mistakes Small Business Owners Should Avoid" by Eyal Lifshitz, for Entrepreneur. This article provides insights into financial mistakes to avoid as a small business owner, including overspending, ignoring cash flow, and failing to plan for taxes.

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- ▶ "5 Financial Ratios Every Small Business Owner Should Know" by Joe Worth, for Forbes. This article provides insights into important financial ratios for small businesses, including current ratio, debt-to-equity ratio, and gross margin ratio.

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- ▶ "5 Tips for Small Business Financial Planning" by Andrea Woroch, for U.S. News & World Report. This article provides tips and insights into financial planning for small businesses, including budgeting, forecasting, and cash flow management.

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- ▶ "A Beginner's Guide to Financial Statements" by Justin Goodbread, for The Balance Small Business. This article provides a beginner's guide to financial statements for small businesses, including understanding balance sheets, income statements, and cash flow statements.

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- ▶ "A Guide to Small Business Cash Flow Management" by Ellie Burgueño, for QuickBooks. This article provides a guide to cash flow management for small businesses, including understanding cash flow, creating a cash flow statement, and improving cash flow.

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- ▶ "Best Accounting Software for Small Businesses in 2023" by Kathy Haan and Kelly Main, for Forbes. This article provides a review of the best accounting software for small businesses, including features, pricing, and user reviews.

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- ▶ "Financial Planning for Small Business Owners" by Maryalene LaPonsie, for NerdWallet. This article provides tips and insights into financial planning for small business owners.

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- ▶ "How to Create a Financial Plan for Your Small Business" by Max Freedman, for Business News Daily. This article provides a guide to creating a financial plan for small businesses, including setting financial goals, creating a budget, and forecasting financial performance.

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- ▶ "How to Do a Financial Analysis for Your Small Business" by Rieva Lesonsky, for Small Business Trends. This article provides a step-by-step guide to financial analysis for small businesses, including analyzing financial statements and forecasting financial performance.

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- ▶ "How to Prepare a Cash Flow Statement" by Tim Berry, for Bplans. This article provides a guide to preparing a cash flow statement for small businesses, including understanding cash flow and creating a cash flow projection.

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- ▶ "Small Business Accounting: A Complete Guide" by Annie Pilon, for Small Business Trends. This article provides a comprehensive guide to small business accounting, including bookkeeping, financial reporting, and tax planning.

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- ▶ **Small Business Finance:** "10 Essential Tips for Managing Your Finances" by Joshua Stowers, for Investopedia. This article provides essential tips for managing small business finances, including creating a budget, managing cash flow, and staying on top of taxes.

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- ▶ **Small Business Finance:** "A Beginner's Guide" by Jared Hecht, for Fundera. This article provides a beginner's guide to small business finance, including budgeting, financial statements, and financing options.

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- ▶ "The Beginner's Guide to Financial Modeling for Small Business" by Chris Benjamin, for Investopedia. This article provides a beginner's guide to financial modeling for small businesses, including creating financial projections and analyzing financial performance.

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- ▶ "The Beginner's Guide to Small Business Financial Planning" by Annie Pilon, for Fundera. This article provides a beginner's guide to financial planning for small businesses, including setting financial goals, creating a budget, and managing cash flow.

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- ▶ "The Small Business Owner's Guide to Financial Management" by Kristin Marquet, for Entrepreneur. This article provides a guide to financial management for small businesses, including understanding financial statements, budgeting, and forecasting.

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- ▶ "Why Your Small Business Needs a Financial Forecast" by Steve Strauss, for USA Today. This article provides reasons why small businesses need a financial forecast, including understanding cash flow, identifying potential issues, and setting financial goals.

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Increasing Your Financial Management Knowledge: Helpful Websites

- ▶ **AllBusiness:**

This website provides insights and advice for small business owners, including financial management tips, accounting guides, and financial planning resources.

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- ▶ **American Institute of CPAs:**

This website provides resources and information for small business owners, including the AICPA's Future of Small Business report, which includes insights into financial management and planning.

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- ▶ **Business Insider:**

This website offers news and analysis on business and finance, including articles on financial management and planning for small businesses.

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▶ **BizFilings:**

This website offers resources and guides on financial management and accounting for small business owners, including budgeting, cash flow management, and financial analysis.

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▶ **Entrepreneur:**

This website offers advice and insights into starting and running a small business, including financial management and planning tips.

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▶ **Financial Times:**

This website offers news, analysis, and insights into financial markets and management, including articles on financial planning and analysis.

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▶ **Forbes:**

This website provides news and analysis on business and finance, including articles on financial planning and analysis.

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▶ **Harvard Business Review:**

This website offers insights and analysis into business management and strategy, including articles on financial management and planning.

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▶ **Inc.:**

This website provides insights and advice for small business owners, including financial management tips and best practices.

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▶ **Investopedia:**

This website provides a comprehensive guide to investing and financial management, including articles and tutorials on financial analysis and modeling.

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▶ **Kiplinger:**

This website offers insights and advice on personal finance and investing, including articles on financial planning and analysis.

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▶ **National Federation of Independent Business:**

This website provides financial resources and tools for small business owners, including guides on financial management, accounting, and tax planning.

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▶ **NerdWallet:**

This website offers financial advice and resources for small business owners, including guides on bookkeeping, budgeting, and financial planning.

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▶ **QuickBooks Resource Center:**

This website provides resources and tools for small business owners, including accounting software and financial management guides.

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▶ **SCORE:**

This website offers free business advice and mentoring to small business owners, including guidance on financial management and planning.

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▶ **Small Business Administration:**

This website provides resources and information for small business owners, including financial management tools and guides.

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▶ **SmartAsset:**

This website provides financial advice and tools for small business owners, including a startup cost calculator, budgeting templates, and financial planning guides.

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▶ **The Balance Small Business:**

This website provides resources and information for small business owners, including financial management tools and guides.

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▶ **The Motley Fool:**

This website offers investment advice and resources for small business owners, including articles on financial planning and analysis.

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▶ **Zoho Books:**

This website provides accounting software and financial management tools for small business owners, including invoicing, expense tracking, and financial reporting.

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