

Business Health Check for Example Company Ltd

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There are a number of "Rules of Thumb" about businesses. A typical one is that you should have enough cash to cover 3 months of outgoings. Another is that you shouldn't be dependent on one customer for a large part of your income. Some of these will be more applicable to your business than others. Some may have no relevance to you whatsoever

We score you against each rule of thumb and at the end of the report is an overall score for your business.

Money in the bank

You should have enough money in the bank to cover expenditure for the next 3 months

Your average expenditure for the past 3 months has been £2,949.67 per month.

To cover your expected costs for the next 3 months you would need £8,849.01. You have £3,301.10 in the bank.

Your score: 30%



*You have enough money for one months expenses, but not two - nevermind 3!
Try to build up more cash in the bank*

Reliance on a single customer

You should never be too dependent on just one customer for your income.

It puts you in a dangerous position and you could go out of business if that customer leaves you.



Your biggest customer over the past 3 months, responsible for 21% of your income, was Tin Can Alley

Your score: 80%

Whilst this is nowhere near the danger zone, you should keep an eye on the situation to make sure you don't become too much more dependent on this customer.

Making the most from your existing customers

Too many businesses don't realise the value of their existing customers. It's easier and less costly to sell to existing customers than to new.

You have 244 customers. 45% of them have only bought from you once, 37% of them 4 or more times and 20% of them have bought from you 8 or more times

Your score: 40%

This isn't too bad, but it could be better! To help you improve further you could consider the following: Do you send marketing information to past customers? Are there other products or services you can sell to them?

Overall Score

57%