

Business Diagnostics

**University and College
3rd Edition**

**Richard Mimick
Michael Thompson
Terry Rachwalski**

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Praise for ‘Business Diagnostics’

A major challenge to most business managers, especially those operating in the fast-paced world of high technology, is to find the time to learn good management practices while on the job; most people simply do not have the luxury of taking time off for formal training. Business Diagnostics addresses this critical need by packaging the essentials into a manageable text.

Denzil Doyle, Officer of the Order of Canada
Chairman, DoyleTech Corporation
Author - ‘Making Technology Happen’

The Business Diagnostics text provides practical solutions for business professionals and effectively transforms theoretical concepts into real world insight....

Andy Fraser MBA
Finning International Inc., Executive Vice President, Customer and External Relations

“Business Diagnostics (3rd edition) highlights the importance of digital, content and social media marketing. It is a go-to reference guide for business people who need to do an evaluation of their operations.”

Chris Burdge and Paul Holmes, Co-Founders of Social Media Camp, Canada’s largest social media conference.

A thorough but readable checklist approach to assessing (and managing) issues and opportunities that may impact your small business. Especially helpful in providing insights with respect to financing strategies from a commercial banker’s perspective.

Donna Bridgeman
Member, Vancouver Police Board and B.C. Real Estate Association, Former Vice President, Growthworks Capital, Working Opportunity Fund, Vancouver B.C

A recommended read - business is a dynamic and complex world, where time or limited skill sets can become impediments to good decision making.

Business practitioners at all levels will appreciate this practical book, full of proven strategies and diagnostic tools that can be quickly learned and immediately applied.

Francis Hartman MBA
Chief Consultant, my HR coach

If you are the CEO of a small to medium-sized company and want a pragmatic framework for sizing-up the health of your business, then I suggest you look at Rich and Mike's gem of a book, "Business Diagnostics". Track with the case study, use their novel size-up grids and you will have the pulse on your corporate health and a sound framework for revitalizing your business.

T. John Drew
Former Chair, TEC (The Executive Committee), Victoria, B.C

Business Diagnostics (3rd edition) introduces a powerful system on how to plan and grow your business. Today, more than ever in the highly competitive global marketplace that impacts all businesses, this book is mandatory reading.

It is also an essential reference guide for executives and managers in all types of firms from SMEs to large corporations along with business students aspiring to managerial and entrepreneurial success.

Frank Bouree, CEO and Principal
Chemistry Consulting Group

ABOUT THE AUTHORS

Rich Mimick is a founder and principal of PPM Professional Practice Management, Inc., a management consulting and executive development firm based in Victoria, BC. He commenced his consulting career with Andersen Consulting, now Accenture.

His academic appointments include Director and Professor at the world ranked Ivey Business School, Director of Royal Roads University Business Programs, and Director of University of Victoria's Executive Programs. He is currently Director, Business, Management and Technology programs, Division of Continuing Studies, University of Victoria.

Rich has designed, developed and delivered consulting engagements and executive programs for Canadian, American, European and Asian clients. His areas of expertise are strategic management, finance and marketing strategy. He has received international recognition for his outstanding teaching abilities and is known for his exceptional ability to turn complex topics into understandable practical learning.

Rich also provides consulting assistance in strategy and finance to various companies. He is a director and advisory board member of growth oriented companies and a past director of VIATeC, the Vancouver Island Advanced Technology Centre.

Mike Thompson is an Associate Professor with the Faculty of Management at Royal Roads University. Prior to this appointment, he held senior management positions within the Canadian and UK commercial banking sectors. His academic credentials include an Honours Degree in Economics from the University of Manchester and a Diploma in Land Economics from the UBC. Professional certifications include Fellow, Institute of Canadian Bankers (FICB) and Fellow, Certified Management Consultant (FCMC).

Mike also holds a visiting professor appointment at the Grenoble Graduate School of Business and is a Trustee representing CMC Canada within the International Council for Management Consulting Institutes (ICMCI).

Terry Rachwalski is President of Front Porch Perspectives, a Canadian management consulting firm providing business development and go-to-market plans for technology firms. Terry specializes in developing sales and marketing strategy and action plans for new product launches. She has worked extensively with digital strategies, social media launches and integrated marketing, advertising and public relations campaigns in Canada, the United States, Europe and Central America.

Terry also provides guidance in using technology and hardware for productivity gains; Auto-ID technologies, QR, NFC, bar-code, active and passive RFID, GPS and location-based services for supply chain, logistics, warehousing, shipping, mobile fleet management, and mobile workforce management.

Prior to opening her management consulting company, Terry worked as an executive with multiple Canadian and international technology firms in progressive management, sales, marketing and operational roles. She is an award winning Certified Management Consultant and holds an MBA from Royal Roads University, a certificate in Enterprise Development from Camosun College and a Diploma in Marketing from BCIT. She is Associate Faculty at Royal Roads University School of Business in the MBA program.

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PREFACE AND ACKNOWLEDGMENTS

The origin of the Business Diagnostics concept can be traced to an evening when we, Mike Thompson and Rich Mimick were having an early libation at Spinnakers Brew Pub, Victoria, B.C. in April 1995. We were both teaching a ‘fast track’ business strategy course for the University of Victoria and had been discussing the need to quickly and simply summarize business concepts for not only adult learners, but also for business owners.

We decided to design a short, but informative business case and then perform a ‘size up’ evaluation of the subject company, assessing the relative attractiveness of the external environment and internal resources. This discussion led to the development of a successful one-day seminar series, which was anchored by a companion manual – *Size-Up Your Business*.

Seminar participants provided positive feedback and encouragement to proceed to the next stage – the development of a more formal reference guide based upon the original size up model. Additional information was provided relating to the business life cycle and the challenges in raising debt and equity. This reference guide has been used ever since at Royal Roads University and the University of Victoria. Our best moments are when students say “*this is the one text book I actually use.*” That was our goal: to create a dog-eared, much used and prized desktop business reference guide.

Over time, we realized that the digital world had profoundly changed some aspects of business and in particular, marketing. We both knew Terry Rachwalski, who had had taught Management Consulting for Continuing Studies at the University of Victoria and Royal Roads University. More importantly, she was a Certified Management Consultant with many years of diverse client engagements and who specialized in digital marketing strategies. Better yet, she was already familiar with the book and had used it in her work. So, in the fall of 2014, the third edition of Business Diagnostics was started.

For this, the third edition, we would like to acknowledge the specific contributions of David Amerland who provided information on semantic search and Roy Diment (Vivencia Resources Group) for the layout and advice.

Special thanks and acknowledgment is given to our respective spouses, Claudia, Maurice for their patience and cheerful encouragement and the late Kathy, always in our hearts.

Richard Mimick, Michael Thompson, Terry Rachwalski.

Victoria, B.C. May 2015

INTRODUCTION

The one management book you will keep on your desk...

And actually use.

Business Diagnostics has been written to overcome a significant challenge facing business students and business owners, specifically the time constraints in acquiring business management skills.

- Business students take multiple courses over a short period of time, then are challenged to find critical information in all the text books they own both in school and when they enter the workforce.
- Business owners have limited time or inclination to attend extended business school courses. Likewise, accessing topical information on enhancing corporate performance (books, magazines and web sites) can be sporadic, time consuming and the information may be out of context with the bigger picture.

The authors have designed *Business Diagnostics* to address these concerns by developing a valuable reference book that can be easily read over a weekend or a few weekday evenings, and each of the sections is stand alone – providing a reference for which of the primary areas of business: Strategy, Finance, Operations, Human Resources, Marketing/Sales, IT/Technology plus how to checklists for valuation, and business planning.

Business Diagnostics is specifically designed as a bulleted reference guide that students, business owners, managers, entrepreneurs can keep on their desk and find key tools and advice when they need a quick resource.

This book is particularly useful for business school students. It provides a concise set of practical diagnostic tools to complement generic course materials. At the same time, the material will provide a fast track to understanding the fundamentals and challenges in running and growing a company.

This text has been used in the MBA program at Royal Roads University for 10 years and students consistently say, “*Of all the text books I bought, this is the one I refer to the most and continue to use.*”

Business Diagnostics provides practical assistance to the following users:

- Every business student who doesn't have time to refer to dozens of lengthy text books to get the information they need.
- Every manager charged with running or assisting with a department, division or team who needs to ensure they are hitting all the main points for business health. The Business Diagnostic 'size-up' tools will keep them on track.
- The existing business owner or manager who has growth opportunities and needs to 'size up' existing and potential operations.
- The individual planning to buy or invest in another business. That process requires the completion of 'diagnostic checks' to ensure that the targeted entity has the required degree of corporate health.
- The individual who wishes to set up a new, yet to be proven, business venture and requires guidelines to assess the likelihood of success and the steps necessary to attract financing or equity.
- A new or existing technology company owner who needs to assess the relative merits of attracting outside equity capital or raising additional debt in order to expand product lines and/or markets.

Readers will gain practical insights into the following key areas:

Sections 1 and 2: Instructs the reader how to size-up a business operation, assessing its relative strengths and weaknesses.

- The *External size-up* examines the business environment (political, economic, societal and technological factors) along with prevailing industry conditions.
- The *Internal size-up* then drills down into the individual company's performance, evaluating its relative health from different viewpoints – Financial, Marketing, Operations, Human Resources, and Technology.

Section 3: Explains company life cycles and how the various sources of funding (equity and debt) can be accessed. Survival and turnaround strategies are also evaluated. Recognizing potential danger signals is increasingly important given today's rapidly changing business environment.

Section 4: Provides tips and insights on the effective completion of Strategic Business plans.

Section 5: Consists of a short case study of a fictitious company (Marston Control Devices). Readers utilize the size up techniques covered in earlier sections to assess the company's health and prospects by completing optional size-up work sheets as part of the evaluation process.

Marston Control Devices Ltd. is also seeking investment capital and readers have the opportunity to expand their size-up skills by completing a preliminary company valuation and reviewing the capital raising process by way of a tactical Enterprise Review Summary.

We have included an answer key based on the size-up templates for classroom use or to check your skills.

These five sections are inter-related and are summarized in the *Business Diagnostics Overview* graphic on the following page.

Appendices: Provide the author's suggested size-up summaries, company valuations and sample Enterprise Review Summary to round out the learning process.

The 3rd edition of *Business Diagnostics* contains some updated materials and insights based upon the authors' teaching and consulting experiences since the original edition was published. Be sure to refer back to our website for more advice, tools and templates: www.ceobusinessdiagnostics.com/

Business Diagnostics Overview

