



FINANCE

(Operational Driver)

“Finance” as a driver is not a question about your ability to make money. Here we are concerned about a process question: “Are you able to keep track of it and learn from it?”



The ability to communicate financial results, both internally and externally, is fundamental to operating a business. If you, the owner or CEO, don't have easy access to consistent reports then your company does not have your financial matters in order and you do not follow best practices.

As you look at this driver, don't underestimate the importance of processes for documentation. You'll also want to drill down into eight (8) Indicators, delving deeper into the operational structure of the business:

- Audits: You have had routine, independent inspections and assessments of your company's financial integrity which provide quantitative proof your company has a healthy and standardized reporting structure
- Financial Statements: Your chart of accounts clearly reflects the business you are in, enabling fast and effective communication. You also routinely generate the standard set of three statements (income, balance sheet and cash flow).
- Operating Reports: Financial operating reports are routinely generated and used by management to review your company's performance and make operational decisions.
- Tangible Assets: You have knowledge of and documentation that defines the ownership, control, and use of the tangible assets needed to deliver products and services.
- Intellectual Property: You have a thorough understanding of your company's I.P.
- Banking and Capital: You efficiently utilize banking services and have the ability to obtain and manage outside capital.
- Risk and Insurance: You have protected your company from or limited its risk.
- Tax: You have a complete understanding and fulfillment of all tax obligations.



GOAL: *It is essential that you have a clear understanding of your financial results. This means having easy access to consistent reports that you can use to make informed decisions. Without this information, it is very difficult to effectively operate your business and make the best possible decisions for its success. Make sure that you have the information you need to make sound decisions and keep your business on track.*