

Take Two Aspirin and Call Me in the Morning



Certain areas of your shop may be very healthy, while other areas are very ill. For this reason, a proper health check requires that the doctor do an analysis based on a balanced "scorecard."

A balanced scorecard includes not only production-related operations and finance, but also sales, marketing, administrative, human resources, systems, risks, exit strategies and vision.

Just for fun, I've included this "Health Check Your Shop" exercise for you – the shop owner – to take. Keep in mind that it's only a sampling of a balanced approach and would normally be accompanied by direct observation – just as any doctor would require.

Directions: Read each question and circle the most appropriate response. If your reply is between the responses in columns A - E, round up at the halfway point. If your response is outside the range of Column A or E, use the closest response. Circle only ONE response in each column for each question.

Health Check Your Shop

Circle the most appropriate response in each column.*	A	B	C	D	E
How many hours do you, as the owner, work weekly?	30	40	50	60	70
How many hours per month do you review and analyze financial reports?	5	4	3	2	1
What's your percentage of total accounts receivables (A/R) to total monthly sales?	50	75	100	125	150
What's your percentage of accounts payables (A/P) to A/R average monthly?	90	100	110	120	130
What's your closing percentage (estimates written versus jobs)?	80	70	60	50	40
What's your total production efficiency (hours completed divided by attended hours)?	1.60	1.45	1.30	1.15	1.00
What's your total percentage of paint hours to metal hours (include structural)?	70	60	50	40	30
What's the average number of parts orders per repair order?	2	3	4	5	6
How many times per year do you perform employee evaluations?	4	3	2	1	0
How much staff turnover has taken place in the last two years (percentage)?	10	15	20	25	30
TOTAL NUMBER OF RESPONSES FOR EACH COLUMN:					
Multiply by:	10	15	20	25	30
Grant Total Per Column:					

Total Score:

*Round up for answer (35 = 40).

YOUR SCORES

Again, this is a sampling, but we can place a value on your shop's cholesterol level, as would any doctor. And as with these important levels, there's good and bad cholesterol. It's not only important to look at the bad level, but also the good. The good, however, can't be done with the brief sampling in this article, but it can be done with a complete health check performed by a true specialist.

SCORING:	100 - 125	Excellent balanced health
	126 - 150	Need to watch what you eat; need a little more exercise
	151 - 175	Consider a personal trainer/dietician
	176 - 200	Make an appointment with the doctor
	201 - 250	Get to the emergency room now
	251 - 300	Call the mortuary and make arrangements