



Growing Your Business Together

The VAR Success Test Challenge

Ask ten VARs to provide their definition of a successful business practice and you will receive ten different responses. To effectively measure success several facets of a practice must be evaluated. These include: income, work-life balance, dependency on the principal, growth, operational efficiency, customer satisfaction, and the ability for the business to sustain itself independently. It is a

combination of these factors that determine real success. Measure your business success by taking the test below, than add up your total score and measure the result against the statistics on the next page. Email your total score to sheldononk@optonline.net and we will send you back a chart showing your result against all VAR responses.

QUESTION (Each questions scores between 0 and 5 points)	SCORE
1. Score your personal income based upon the amount you actually receive from the business: (0 to 5) 0 - <\$50K 1 - 50K to 75K 2 - 76K to 125K 3 - 126K to 175K 4 - 176K to 250K 5 - >\$250K	
2. How many weeks of vacation do you actually take each year, excluding holidays: (0 to 5) 0 - None 1 - 1 week 2 - 2 weeks 3 - 3 weeks 4 - 4 weeks 5 - 5 or more weeks	
3. Score your actual business earnings before taxes and interest as a percent of total revenue, EBIT: (0 to 5) 0 - <0% 1 - 0 to 5% 2 - 6 to 10% 3 - 11 to 15% 4 - 16 to 20% 5 - >21%	
4. How many hours per week do you actually work: (0 to 5) 0 - >80 1 - 70 to 80 2 - 60 to 69 3 - 50to 59 4 - 40 to 49 5 - <40	
5. Score your percent year-to-year gross revenue growth over the last three years: (0 to 5) 0 - Negative 1 - 0% 2 - 1 to 6% 3 - 7 to 12% 4 - 13 to 19% 5 - >20%	
6. Score your organizations gross annual revenue: (0 to 5) 0 - <\$1M 1 - 1 to 2M 2 - 2M+ to 3M 3 - 3M+ to 5M 4 - 5M+ to <10M 5 - \$10M+	
7. Score your operational efficiency by dividing gross revenue by the number of full time equivalent employees: 0 - <\$50K 1 - 51K to 100K 2 - 101K to 150K 3 - 151K to 200K 4 - 201K to 250K 5 - >\$250K	
8. If you were ill, how long could you be away from the business before it had a serious impact: (0 to 5) 0 - Immediately 1 - 1 week 2 - 2 weeks 3 - 3 to 3 weeks 4 - 4 to 8 weeks 5 - >8 weeks	
9. Although this is a subjective question, answer honestly, your percent of highly satisfied clients: (0 to 5) 0 - <50% 1 - 50 to 60% 2 - 61 to 70% 3 - 71 to 80% 4 - 81 to 90% 5 - >90%	
10. If there were no vendor leads, what is your confidence that your own marketing can drive your revenue: 0 - <50% 1 - 50 to 60% 2 - 61 to 70% 3 - 71 to 80% 4 - 81 to 90% 5 - >90%	
TOTAL SCORE: (Perfect score is 50 points)	

Understanding the Test Questions

Question 1, measures income and helps determine if the financial reward for owning a business is worth the effort.

Questions 2 and 4, measure work-life balance. If a VAR earns a substantial income, but works 80 hours a week and can never take a vacation, the practice has become a prison. It is a balance of income and personal time that governs individual success.

Questions 3, 5, and 6, measure two factors. First, how the business has grown and developed, and second, the ability of the business to internally fund growth.

Question 7, is a measure of operational efficiency. It determines effectiveness of delivering projects to clients as well as the amount of administrative personnel with in the practice.

Questions 2 and 8, measure the dependency of the business upon the principals. A high degree of owner dependency drives down the value of

the business and causes it to be at risk.

Question 9, is complex and determines many factors about the practice. As customer satisfaction decreases, operational efficiency goes down, employee and owner stress levels increase, turnover rises, and there is a reduction of revenue from existing customers.

Questions 9, 6, and 3, measure the ability of the business to propel itself. A business that is not dependent upon vendors for leads and marketing has less risk and a greater value.

Although this test is not a comprehensive evaluation of a business, it is a remarkably good indicator of how a business is performing and the outlook for the future.



What does the test measure?

How Does Your Business Score?

The test results and analysis that follows do not apply to start-up operations and assumes three years or more of business operations.

< 25 points

Sell your business or just give it away and get a job! The business has many problems, your income is too low and you are working to hard. There is intense pressure and mental anguish and it will require drastic changes to turn around the business.

46–50 points

Congratulations, you are the envy of the business community. Your business is highly successful and you have minimum stress and worries. Your business has extreme value. It runs very smooth. You have loyal and happy customers. We want your story for our next Newsletter, so please call us.

40–45 points

You are almost at the top. You have a very successful business with a good income and not too much stress. With a plan, some focus, and maybe some help you can reach the top. Be proud of your accomplishment.

30-39 points

A significant majority of VARs score in this point range. There is a moderately strong level of stress. There are generally significant problems in the business and it is a challenge to reach the 40+ point level. A business plan, management team, and outside business advisor can make a significant impact on success.

25 to 29 points

The business practice is marginal at best. There is an extreme danger of business failure. There are very high stress levels, marginal income, and questionable customer satisfaction. Seek help from a business professional as soon as possible.



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Who is Success Driven By Technology

Success Driven By Technology, LLC (SDbT) focuses on helping Resellers and VARs grow their business. In fact we are so confident that we can make a dramatic contribution to your practice that we back it up with a no questions asked **money-back guarantee**.

Principals, Sheldon Kralstein and Mark Chinsky have 30+ years of experience and a stellar track record in the industry. Both Sheldon and Mark have built practices from the ground floor up, successfully sold their business, and were part of the national management teams of the Aston Group and ePartners respectively. They are dynamic individuals with the knowledge and skill set to help your business be more successful. Our areas of expertise include:

- Marketing
- Business Positioning
- Lead Generation
- Sales Team Development
- Sales Methodology that works
- Sales Training

- Sales Prospecting
- Effective Product Demos
- Compensation and Hiring
- Pricing
- Software Deployment
- Project Management
- Delivery Methodology
- Business Analysis and how to get paid for it
- Business Development
- Mergers and Acquisitions

Success in today's economy requires solid business practices coupled with creativity, innovation, and methodologies that drive business success. SDbT can analyze your current practice and help you implement proven strategies and methods that are guaranteed to work. We welcome the opportunity to speak with you about your business operation to explore how a relationship with SDbT can benefit your organization.