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“Mid-Year Review”

It is hard to believe that we are already well into the third quarter of 2010. I hope that everyone has had an enjoyable summer as things begin to wind down and the planning for fall activities has already begun. It is time for you to give yourself a midyear review to determine where you stand. Have you been successful in completing all the things you set out to accomplish? Will some of your projects, activities, vacations, outings, purchases, etc., be moved forward into the next month, season or even the following year?

Business owners should have a solid grasp on how they are performing come midyear. How are you gauging your performance and what cues trigger the need to make adjustments going forward? A few months back, I wrote an article discussing the various reasons why a business owner should consider creating and maintaining a detailed business plan. One of these was to use the business plan as a guide for judging a business’s performance over a specified time period. Specifically, the article said, “Successful business owners often consult their business plan to ensure the business is functioning as planned. The business plan will outline key benchmarks the owner intends to achieve over a specified period of time. Adjustments are much easier for an owner to make during the operation of a business if they have taken the time to create a basis for evaluating performance.” This is an excellent time to review your original business plan to determine whether your business is on track and if adjustments need to be made to finish the year strong.

Ownership and/or a management team should assemble midyear to review the financial performance of a business to ensure goals are being attained and determine if adjustments are warranted to help achieve specified goals. The financial review will most often include the analysis of key indicators such as liquidity, leverage, efficiency, and profitability ratios. Successful businesses find themselves well served as they perform year over year reviews if they have established clear and concise benchmarks through effective documented planning. Compare your business’s performance to the goals outlined in your business plan. Whether the business is on pace to make goal or gravely falling short, this is the time to make the appropriate management decisions that will carry you through the second half of the year.

Midyear is also a great time to spend meeting with each employee of your business. The evaluation of each employee’s performance is a key part of determining how well your business is doing come midyear. A business will be much more successful if the employees are evaluated on a consistent basis. It is vital that each employee understand how their daily performance directly contributes to the overall success of the business they represent. This may only be done by setting clear expectations and reviewing performance periodically. Employers will be able to maximize individual performance while identifying ways to reward and improve at ground level.

These are only a few of the areas that should be reviewed come midyear. Help make the review process much easier by devoting time and effort in establishing a documented business plan.

Please contact me by email at bhessing@p-s-b.com or by phone at 309-693-9494 as I would like to talk with you about your business.



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