

Financial and management diagnostics – May 2021

Assessment report on selected Sierra
Leonean SMEs

October 2021

International Trade Centre



Sierra Leone
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1. Background

The West African Competitiveness Programme (WACOMP), a programme implemented by the UNIDO and the International Trade Centre, supports small and medium sized businesses in selected value chains of Cassava, Cocoa and Palm oil in order for them to be better positioned as they compete on a global stage, key strategy for reaching its set milestone of getting its SMEs to be able to compete on a global scale.

But amongst a plethora of challenges impeding SMEs from getting competitive is the lack of access to funding, especially for agribusinesses who pose a high risk to lending institutions given the complexities of their type and speciality of business practice, but more so due to their lack of financial literacy skills, a critical skill factor responsible for accessing funding support.

Recognizing this all-important need for financial literacy of SMEs, ITC's WACOMP Programme is capacitating selected SMEs for an improvement in their financial literacy skills. The coaching will include trainings on topics identified as a result of a preliminary assessment to produce a diagnostic of each SME.

The essence of the SME diagnostics was to provide a multistage support process that builds on the bootcamp trainings in Kenema on January 25-27 and in Makeni on March 8-10, 2021, which was provided to 48 SMEs of the WACOMP's "Access to Finance" programme, 40 of whom were to later qualify for a post bootcamp deep dive business diagnostic. The diagnostics study was therefore expected to establish the prevailing status of each of the SMEs in terms of their capacity building needs, competitiveness, financial status, productivity and resource management challenges.

The diagnostics looked at the identification of symptoms of underperformance with a view to establishing causal linkages aimed at identifying capacity building needs and gaps between those symptoms and the respective SMEs performance. The process flow for the diagnostics took the following steps: (i) Diagnosis - The means to an eventual end that will result in best practices, (ii) Prognosis- Building synergies and linking possible mistakes with objective outcome, and (iii) Treatment - Through coaching the consultant and SME fix the problem as they proceed.

The diagnostic is considered to have achieved its intended aim by identify capacity building and coaching needs of the selected forty SMEs the outcome of which has informed the design of appropriate next steps and action plans.

This report therefore presents the results of the diagnostics study conducted on the selected SMEs 40 SMEs one of whom was conspicuously not reachable during the mission.

2. Methodology

The diagnostics investigated SMEs on the basis of five key competency areas that are considered fundamental commonalities for most SMEs. Competencies investigated included Financial Competence, Strategic Competence, Production and Operations Competence, Marketing and Sales Competence and Human Resource Competence. Whilst individual enterprises had peculiar needs analogous to their type of operations for which individual actions are being taken during coaching sessions with a view to solving those, the vast majority of all SMEs diagnosed had common competency challenges although at varying degrees as recorded.

SMEs were visited in their respective business premises and interviewed face – to – face using the "interview guide" as prepared (**See Annex 1**). An interview guide was prepared and forwarded to SME participants well in advance of the mission in order to give ample time so that they could ask questions and

discuss interview questions ahead of the diagnostics. The importance of the interview guide was to provide flow and direction of the discussions between the interviewers/Consultants and the SMEs.

Visiting the business in their respective locations/business premises also was pivotal as it provided the team with an initial firsthand insight into the businesses and also created an opportunity for on the spot due diligence on the SMEs. Thirty-Seven (37) enterprises out of a total of forty (40) listed were visited and interviewed face – to -face. (**See list in Annex 3**). Two of the shortlisted SMEs were out of reach during the days of the study and were therefore not interviewed in person. A phone interview diagnostic was arranged and conducted after. One (1) SME could not be reached even after several attempts (via WhatsApp group and direct phone calls).

Face – to face interviews were the main method of data collection which were employed during consultations with the SMEs. These were conducted using an-interview question guide which was prepared for the purpose of the diagnostics. See Annex 1 below a sample of the interview guide that was used during consultations with the SMEs.

The data gathered during the interviews was analyzed by identifying the core themes from the diagnostics checklist and synthesized accordingly. Interpretation of this date can be traced in this report and also in the individual SME metrics that talked to the issues of each SME. This is provided in the other report.

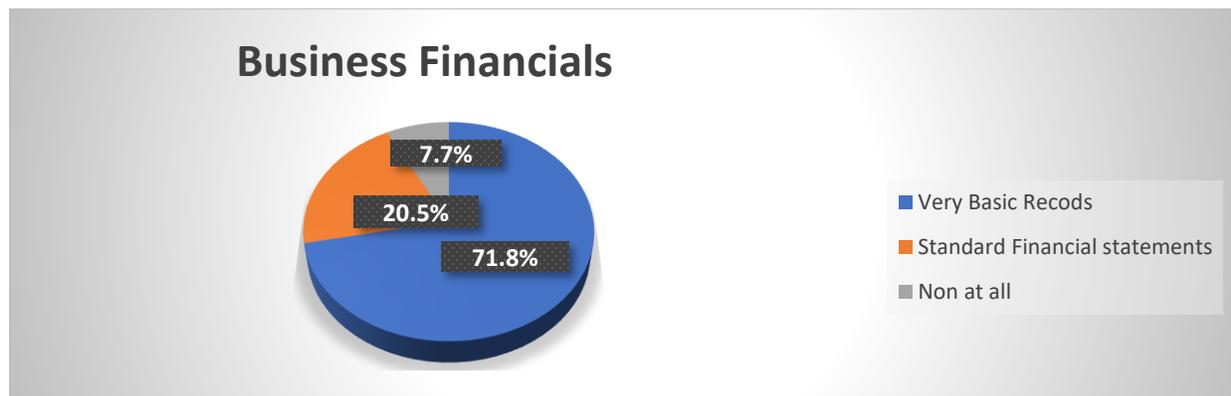
3. Findings

3.1 Financial Management Competence (Accounting Documentations- Best Practice)

In the area of finances, SMEs were diagnosed on the basis of available accounting documentations kept within their business premises. These included documentations such as source documents, general ledger, balance sheet and periodic income statements. Monthly and annual budgets for each enterprise were also studied, linking their usefulness to overall company objectives. The financial aspect of the diagnostics also looked at the tax compliance attitude of each enterprise and the capacity of the finance person handling the finances as that has a direct correlation to the quality of output/financial reports and standard accounting documentations required. The enterprises management of their expenses and revenues was also investigated with a view to finding out their current cash flow and possible financial forecasts.

Overall, findings from the financial diagnostics suggest that 8 of the SMEs diagnosed 20.1% currently comply with standard accounting practice with the relevant documentations and thus can produce periodic financial statements which makes them very knowledgeable about the financial strength or the lack thereof of their enterprises. Below is a graphical presentation of the findings with respect to accounting and record keeping.

Figure 1 Financial documentation – Best Practice



The results should be interpreted in the following way:

- Very basic is considered as those who barely write down their financial transactions and at some point, have source documentations to justify a certain transaction but could not create an informed financial statement-are 28 (71.8 %)
- Those SMEs who practice accurate and acceptable financial management procedures are 8 (20.5%)
- The enterprises that do not practice any form of recording and therefore cannot account for transactions made are 3 (7.7%)

Financial Documentation/Record Keeping best practice		
Type of documentation	# of MSMEs	% of MSMEs
Very Basic Records	28	71.8
Standard Financial statements	8	20.5
None	3	7.7

In general, below are three commonalities with respect to the finances of the business diagnosed.

- ❖ For a good number of the enterprises studied, twenty-two (22), they seem to be facing frequent financial challenges over the years due to poor record keeping.
- ❖ A good number of the businesses twenty-seven (27) do not use financial and managerial accounting procedures and principles effectively.
- ❖ For most of the enterprises there are no SOPs/ forms for timely and accurate flow of information from production floor to accounting concerning costs (time, material, etc.)

3.2. Strategic Competence- Entrepreneurial capacity, drive and long-term vision.

The broad objective for diagnosing on the strategic competence of the SMEs was to be able to establish the capacity of the entrepreneur with respect to his/her understanding of sector specific innovation, knowledge of competitors strategies and how the business creates competitive offers to target buyers.

The diagnostics looked at each enterprise's strategy from the role of the entrepreneur as the business manager a key determinant of the success and or failure of the business. To test this, the diagnostics looked at pointers that have to do with the manager's motivation to succeed, his/her knowledge of the industry, his/her planning skills and what drives him. On the other hand, the study also looked at the enterprise as an entity on its own. As such, the study covered the strengths and weaknesses of each SME, the opportunities and also the threat.

By diagnosing on the strategic competence of the SMEs; the team also investigated the market segments of each of the enterprise in relation to how they can design competitive strategies, identify unmet needs or wants of a group of potential buyers. Individual detail for each SMEs is captured in the SME diagnostics metric report.

Below is graphical presentation of the experience, and strategic management capacity of the SMEs.

Figure 2 Entrepreneurs length of experience in sector

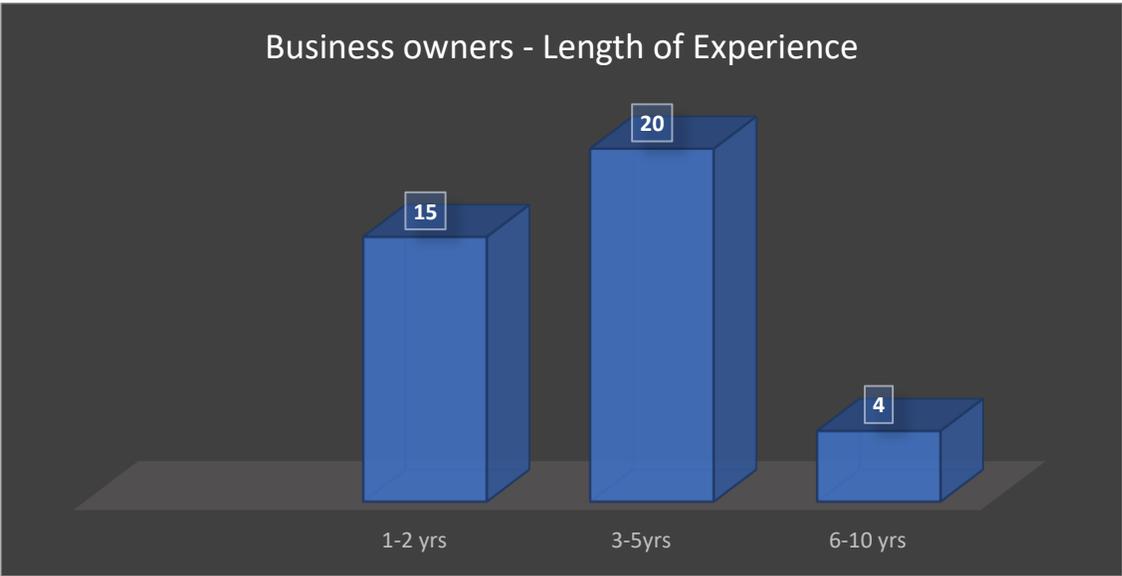


Figure 3 Number of years in existence

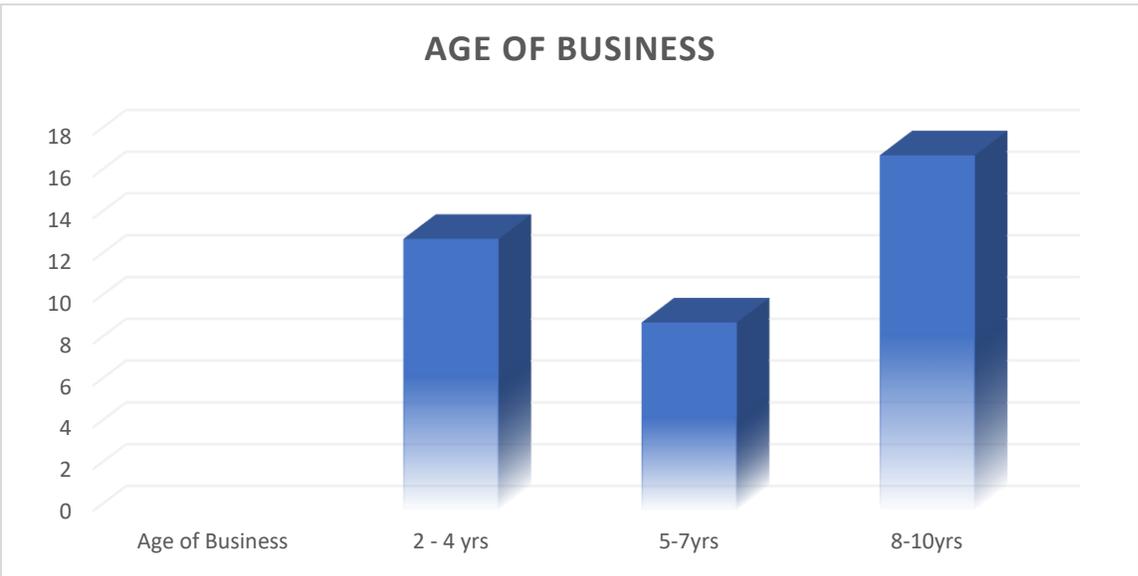
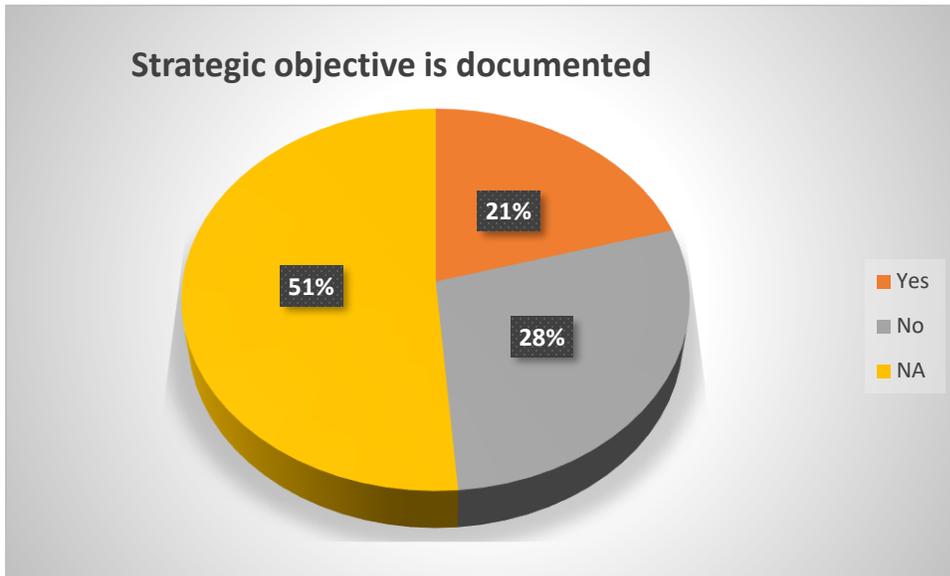


Figure 4 Availability of strategic objectives



3.3. Production and Operations Competence

To capture the production and operations competence of the businesses, the study looked at key commonalities such as the quality of the business supplier base and the established criteria that each of the enterprise uses in determining its supplier. Another checklist for determining the production/operations competence of the business was that of the enterprises' inventory management capacity and the level of controls demanded to ensure quality that quality is put at the centre of the buying decision and the quality infrastructure that has been put in place for the production of their food products. Below where the findings from the production/operations competence.

It was observed that a substantial cost savings is being taken advantage of by most of the SMEs diagnosed by way of developing a system for maintaining the physical assets of their businesses. A good number of SMEs visited, twenty-nine (29) practice preventive maintenance through periodic inspection of machines/assets/equipment to uncover and correct conditions that might lead to production breakdowns or excessive wear. Eleven (11) of the SMEs have gone on to have well-planned preventive maintenance system covering all physical assets. For those who do, this has ensured increased productivity, reduced prospective investment needs and resulted in cost savings. With respect to the setting up of systems to determine and maintain the optimum quantities of raw material inputs required for the SMEs considering the existing conditions, such as production methods, product design, raw material specification, and factory/production center layout, a substantial amount of work will have to be done by all of the SMEs in this respect. From the diagnostics conducted, erratic production seems a normal occurrence for thirty of the SMEs (30). The principal reason(s) for this it was identified is inadequate stock of raw materials, components and packaging materials due to unavailability for the most part as a result of COVID 19 supply chain disruptions.

General issues identified on the production competence are the following:

- ❖ Failure in fully utilizing the workforce and thus a prevalence of idle personnel.
- ❖ Erratic machine usage and utilization even during regular manufacturing operations possibly due to poor knowledge about production processes and/or poor decisions concerning the physical assets/infrastructure.

- ❖ No schedule for maintenance of machines and equipment for most of the SMEs and this is mainly due to a lack of information about the importance of maintaining machinery to reduce long-term financial problems.
- ❖ SMEs frequently face production delays due to material shortages or due to the poor quality of purchased materials.

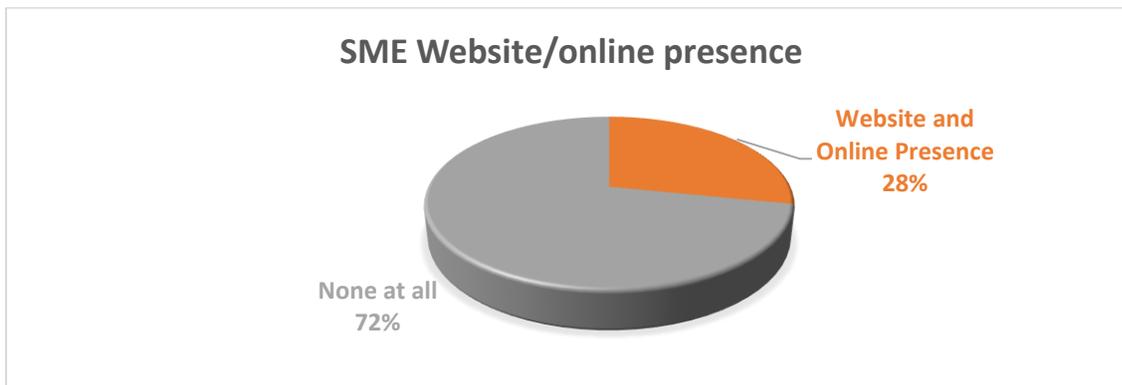
3.4. Marketing and Sales Competence

For small businesses, preparing price lists, catalogues or developing marketing materials and demonstration equipment for a promotional programme will mean the business in question will have to determine the relative worth and or cost benefit of different media for contacting specific groups in a targeted market or segment.

On that basis, the diagnostics on marketing and sales competence looked at core themes that are considered commonalities for SMES. In order to make an informed judgment, the diagnosis looked at the extent to which the SMEs have been able to for example internalize customer service but also went a step further by figuring out whether the businesses have dedicated personnel responsible for interfacing with the customers and handling customer needs, feedback etc. which is crucial to creating customers that will stay. SMEs Response/ turnaround time with respect to customers request was also considered. How regularly are customers request attended to and the turnaround time per request. The use of online website marketing/ social media/ leaflets and brochures was also evaluated especially given the current COVID 19 challenges and the difficulties it creates with face – to face interface with customers

- ❖ Current promotional programme of the SMEs is not integrated. Promotional materials are either inadequate, unprofessionally prepared or consist of unclear messages
- ❖ The flow of money, goods and information in the distribution channels both ways for most of the SMEs was noted to be ineffective and inefficient in reaching the target market.
- ❖ In some cases, standard operating procedures (SOP) to monitor the process of prompting and responding to sales inquiries do not exist or in cases where they do, they are not fully developed.

Figure 5 SME Website/Online Presence



3.5. Human Resource Management Competence of the SMEs diagnosed

The purpose of the human resource management competence diagnosis was to evaluate how well the SMEs are each able to engage human resources in managing their activities to properly plan and execute agreed targets/goals. Planning, execution, and control make up the management of the enterprise. The diagnostics looked at the administrative processes for hiring of staff, human resource planning cost considerations/implications of an overburdened payroll and whether or not the businesses are over staffed or otherwise. Staff recruitment, promotion and training. The study also looked at the businesses organizational structures and how that informs quick decision making or the lack thereof. Below where the findings of the diagnostics.

- ❖ Few of the SMEs 11, have standard operating procedures SOP for the handling of its staff/recruitment/training issues. The vast majority rely on the services of family and friends for the most part as with such arrangements the business would not have to go through the legal processes required for recruitment and the attending costs/takes.
- ❖ 17 of the businesses are run either as corporative or community-based organizations. This makes for a cumbersome if not carefree attitude to work and or decision making. In certain cases, the “group” needs the approval of the local chief or community leader for the farming purposes or land development. This has the tendency of militating against speed to market.
- ❖ For the most part, 18 of the enterprises’ accounts do not accurately describe the worth of the enterprises and the costs that go to staff recruitment and payroll. Staff members within the CBOS and corporative across the board do not work with the hope of a salary. In cases where there is a financial need from a member of the “group”. They are provided with a soft loan which they would have to pay with a relaxed timeline.

4. Summary of Specific Indicators and Needs of SMEs

The diagnostic study conducted has revealed that the SMEs investigated do have a plethora of business associated needs for which urgent actions are required. The following is a summary of the summary gives a list of all the specific needs of Cohort – 1 SMEs showing the frequency of each need.

NO	Need	Frequency	Action suggested
1.	Constraints with input/raw material stock/inventory management. In most cases the business owner could not establish stock at hand for a given period.	18	Develop user friendly inventory management template for SMEs with need. June,2021.
2.	Challenges with consolidating books of accounts (Missing source documents/ evidence of irregular cash book, poorly drawn up sales and or expense ledgers etc.	11	Develop basic account templates that are to be filed on a periodic basis. Phone calls/Fortnightly Zoom training/meetings (June & July 2021).
3.	Human Resource Planning. Too many workers with too little to do.	14	Develop a realistic human resource plan on a need's basis. (Ongoing)
4.	Access to finance	22	Make Investment ready through the development of competitive business plan/proposals/ Scout for grant opportunities. Linkages with Financial Institutions (Ongoing)

In relation to the programme indicators set by the WACOMP Sierra Leone in terms of access to finance, this report has allowed to establish the following findings:

- At this stage there were eight SMEs who already had standard financial statements, which means that this number should increase to at least to 16 at the end of the project (reference programme indicator: **Increase in financial statement by 50%**)
- 30 out of the 39 SMEs diagnosed were deemed appropriately equipped to work on the preparation of bankable business plans (reference programme indicator: **40 bankable business plans are developed and submitted for funding**)
- 16 SMEs have indicated that their preferred financing option is a grant while the rest of the SMEs have indicated that they would accept both a grant and a loan. The team is currently investigating if any of the MSMEs diagnosed is already benefitting from a de-risking solutions provided by a financial institution (reference programme indicator: **12 MSMEs benefitting from de-risking solutions such guarantee fund**).

5. Conclusion

The diagnostics study has established that SMEs investigated face enormous capacity challenges in the areas of access to finance, human resource capacity and challenges with consolidating their finances amongst a plethora of others. These identified challenges have therefore been able to inform next steps in dealing with SME beneficiaries both with respect to access to working capital through access to finance but also through business advisory support that will build their production capacity and they need help to overcome these challenges.

The SMEs identified also have knowledge and capacity gaps in marketing and financial management. These lapses are hindering the growth and profitability potential of their businesses. With sustained coaching which is currently ongoing, these challenges will be handled in the coming weeks.

Despite these challenges, many opportunities also exist which can enhance the growth of the of the SMEs. Consequently, actions plans are being developed in the diagnostics metrics that are being employed to harness these opportunities but also to improve their financial capacity through better access to finance and markets. The remaining 30 SMEs will be further coached in view of creating business plans and supported to improve their financial statements.

ANNEX 1 Mission Photos



- A. National Consultant James Koroma conducts coaching sessions with team members of Progressive Green Revolution Network SL- Kenema
- B. National Consultant Raphael Marrah conducts SME Diagnostics with team members of IFCOD Pendembu - Kailahun



- A. SME - Munda Women's Cocoa Farmers Corporative showcases skills in traditional palm oil processing in Bunumbu- Kailahun
- B. Tivamy SL Limited processing cassava into gari. Wonda Kambawama village Bo



- A. Tivamy SL Limited. Women peel cassava for onward processing into gari.
- B. Barefoot women cassava processing unit pose for pictures after the SME diagnostics - Songo Portloko district.



- A. Robolo Village Portloko- CEO of Fortelluem Mohamed Kamara displays his palm kernel harvest for the day.
- B. THE FARM INVESTMENT - Women in Madina – Kambia extract palm oil after having been put through traditional methods of processing.



- A. CEO Women of Courage Association – Sundu Marrah collects grinded cassava from her machine, ready for moist extraction. Makeni
- B. Processors at Tawaleh Agro-dealer Enterprise in Makeni perform routine palm kernel milling operations.



- A. Processors at Salmed cocoa/coffee farmers' Cooperative Kono checks the quality of their coffee
- B. 15 Acreage of cassava farm owned by Women's Advocacy Network at Manowa village in Kailahun district



TIVAMIA Gari processors in action at Wonda Kambawama village in Keneme

ANNEX 2 List of Participants

N O	BUSINESS NAME	DISTRICT	TOWN	TRAVEL DATES	BASE STATIONS
1	Debar Group Ltd	Western Area Rural	Grafton	3th-4th May	Freetown
2	Lion Food Snack & Beverage	Western Area Rural	Waterloo		
3	Balmed Holdings Limited	Western Area Rural	Grafton		
4	Ngoyila	Western Area Rural	Jui		
5	Home Food and Drinks (SL) Ltd	Western Area Urban	Freetown		
6	Smart Agro-Venture (SAVE-SL)	Port Loko	Marampa	5th - 6th May (Depart Freetown Cover Portloko Kambia districts and environs)	Port Loko
7	Fortelleum	Port Loko	Robolo		
8	BAREFOOT WOMEN SOLAR ENGINEERS FARM (BWSEF)	Port Loko	Koya		
9	Nianda Agriculture and Trading Company	Port Loko	Lungi		
10	Hope Sustainable Sakuma	Karena	Sanda		
11	THE FARM INVESTMENT SIERRA LEONE	Kambia	Madina	7th - 8th May (Depart Portloko cover Bombali district and environs)	Makeni
12	Tawaleh Agro-dealer Enterprise	Bombali	Makeni		
13	DIBIA AGRICULTURAL FARMERS ASSOCIATION	Bombali	Makeni		
14	STADA Agro Dealer	Bombali	Makeni		
15	Women of Courage Association	Bombali	Makeni		
16	Moryorgbain Farmers Association	Kono	Kayima	9th - 10th May (Depart Bombali district cover Kono district and environs)11th May depart Kono for Freetown.	Kono
17	Cooperative Persons Relief Actions (CPRA)	Kono	Koidu		
18	Salmed cocoa/coffee farmers Cooperative	Kono	Koidu		
19	SEP Investment Services	Tonkolili	Yoni		
20	Motonko Tropical Farming Company	Moyamba	Ribbi	16th -17th May (Depart Freetown for Tiama enrout to Moyamba district cover Moyamba and its environs)	Moyamba
21	Glory Company SL Limited	Moyamba	Taiama		
22	Moa Farms	Moyamba	Ngolala		
23	Integrated Rural Development Association	Moyamba	Fakunya Chiefdom		

24	Baluda Poultry and Farms	Bo	Niagorehun	18th - 19th May (Depart Moyamba district for Bo. Cover Bo and its environs)	Bo
25	Penayama Agricultural Enterprise	Bo	Mamboma		
26	Leoneans Investment Company	Bo	Gbaiima Songa		
27	Tivamy SL Limited	Bo	Wonda Kambawama		
28	Sinava Women's Agric Development Association (SIWADA)	Bo	Koetema		
29	Mowoma Rural Women's Development Cocoa corporative	Kenema	Kenema City	20th - 21st May (Depart Bo for Kenema. Cover Kenema and its environs.)	Kenema
30	Sierra Leone Innovative Movement and Community Approach(SIMCAT	Kenema	Belebu Village		
31	Progressive Green Revolution Network SL	Kenema	Lowoma Village		
32	JMK Foods	Kenema	Kenema City		
33	Daama Muslim Community	Kenema	Kenema City		
34	Approach to Rural Development Effort	Kenema	Kenema City		
35	IFCOD	Kailahun	Kailahun	22nd - 24th May (Depart Kenema for Kailahun. Cover Kailahun and its environs and return to Freetown on 25th.)	Kailahun
36	Naplia Tongia Agricultural Project	Kailahun	Buedu		
37	WAYADI	Kailahun	Pendembu		
38	Kpeya Coca Farmers corporative	Kailahun	Batiama Village		
39	Women's Advocacy Network	Kailahun	Manowa		
40	Munda Women's Cocoa Farmers Cooperative	Kailahun	Bunumbu		

ANNEX 3 Diagnostics Interview Guide

FINANCES		STRATEGY		MARKETING & SALES		PRODUCTION & OPERATION		HUMAN RESOURCES	
Specific	Best Practice	Specific	Best Practice	Specific	Best Practice	Specific	Best Practice	Specific	Best Practice
Accounting documents	Daily entries, general ledger, balance sheets and income statement are up-to-date and specific listings are clearly defined.	Entrepreneurial capacity and creation of the company	The Business Manager made an assessment of their business project, analyzing the opportunity costs, which allowed him to base his decision to create or not the company.	Pricing based on cost structure	The company has defined the cost structure of all products for pricing.	Criteria for selecting suppliers	The company has criteria for selecting suppliers. These are classified and evaluated periodically.	Staff recruitment, selection and referral systems	There are explicit criteria known to all staff regarding the recruitment, selection and orientation of employees within the company.
Tax monitoring	The company keeps a record of taxes and provisions are made for each period.	Experience	Before starting the business, the Business Owner had experience in similar industries or studied in a similar field.	Customer service	The entrepreneur is concerned with knowing the needs of their customers, documents information and analysis to develop products and / or services that meet these needs	Inventory Management Systems	The company has systematized the inventory of raw materials and products. This systematization is linked to a control program for the use of raw materials and the demand for products.	Staff Promotion Policy	There are explicit criteria known to all staff for promotion.

FINANCES		STRATEGY		MARKETING & SALES		PRODUCTION & OPERATION		HUMAN RESOURCES	
Specific	Best Practice	Specific	Best Practice	Specific	Best Practice	Specific	Best Practice	Specific	Best Practice
Budgets and Financial Statements	There is a monthly and annual budget in the company that is compared to the financial results and allows corrective actions to be taken	Results	Since the creation of the company, the results have been better or are very close to the forecasts.	Customer needs	The company has a fluid and direct relationship with current customers	Age and condition of machinery and equipment	The company has the latest generation of machines and equipment in operation.	Training Policy	There are explicit criteria known to all staff with respect to job-related training.
Accounting	The accountant is an experienced professional in this field and is always available (ideally, he/she is part of the staff).	Company's main activity	The Business Manager is able to clearly define what is their main activity	Relationship with customers	Does the company keep a record of the purchasing behavior of its customers, in terms of products purchased, quantity and frequency of purchase?	Supplier accreditation	The company has an optimal number of approved suppliers and maintains excellent customer-supplier relationships	Technical skills of staff	The entrepreneur assures that all the staff have the required qualification for the tasks they perform

FINANCES		STRATEGY		MARKETING & SALES		PRODUCTION & OPERATION		HUMAN RESOURCES	
Specific	Best Practice	Specific	Best Practice	Specific	Best Practice	Specific	Best Practice	Specific	Best Practice
Analysis of financial results	There is adequate use of financial results for the company's decision-making	Company's Mission	The Business Manager has a clear understanding of the mission and / or mandate of the company	Service Client	The entrepreneur has internalized the concept of customer service (before and after the sale) and implements it on a regular basis with clearly defined activities.	Planning of material resources and industrial control	There is material resource programming available to the store manager, production supervisor or foreman and the purchasing manager. In addition, the company exercises industrial control over the material flow register, quality control and time in production.	Induction	There are formal induction programs
Cash Flows	All accounts are automatically registered and we know the income and debts due monthly. Income and debt forecasts are made monthly, quarterly and semi-annually and these data are used as a decision-making tool.	Strengths and weaknesses	The Business Manager has a clear knowledge of the company's strengths and areas for improvement in the context of the business sector of the company	Using social networks	The company uses social networks as a mechanism to stay in touch with customers and search for new ones.	Receipt of orders	Purchases are rigorously inspected upon receipt and claims are made to suppliers if defects are noted.	Training	Each year, the organization has a specific program and budget for staff upgrading; this program is aligned with the defined strategic objectives.

FINANCES		STRATEGY		MARKETING & SALES		PRODUCTION & OPERATION		HUMAN RESOURCES	
Specific	Best Practice	Specific	Best Practice	Specific	Best Practice	Specific	Best Practice	Specific	Best Practice
Cost control	The company has cost control that allows performance analysis and scheduling of activities to reduce costs.	Coherence between operations and strategic objectives	The Business Manager shows conviction and is clear about future objectives and there is consistency between the company's action and the strategic objectives set.	Timely delivery	The company is able to deliver the products / services to its customers in the required time and in accordance with agreed quality conditions	Procedures	The organization has defined, formalized, documented and disseminated procedures		The organization uses training support systems
Budgets and Profit and Loss Account	The company makes monthly budgets with financial results and implements the corresponding corrective actions			Distribution channels	The company has an efficient distribution chain located in strategic areas that it has determined.		Management evaluates and allocates resources to implement a quality management system.		The company evaluates the impact of training
Financing	The entrepreneur knows the different financing alternatives and makes rational use of them			Prevention of nonconformities and treatment of complaints	The company has procedures to know the level of satisfaction of its customers, identifying in a timely and anticipated manner any nonconformity in order to treat it immediately	Management's responsibilities	Management evaluates and allocates resources to QMS (quality management system)	Organizational structure	The company has a formal organizational structure

FINANCES		STRATEGY		MARKETING & SALES		PRODUCTION & OPERATION		HUMAN RESOURCES	
Specific	Best Practice	Specific	Best Practice	Specific	Best Practice	Specific	Best Practice	Specific	Best Practice
Legal documents	The company keeps up-to-date legal documents of the company (statutes, accounting documents, book of partners, etc.).						The mission, vision and values are known to the staff of the company.		Every employee knows their role in each process and complies with it
							There is a methodology to understand the current and future needs of customers.		
							There are quality objectives and indicators to fuel the construction of quality planning		
							Quality is planned.		