

STEP 2:
Evaluate the Past

OVERVIEW

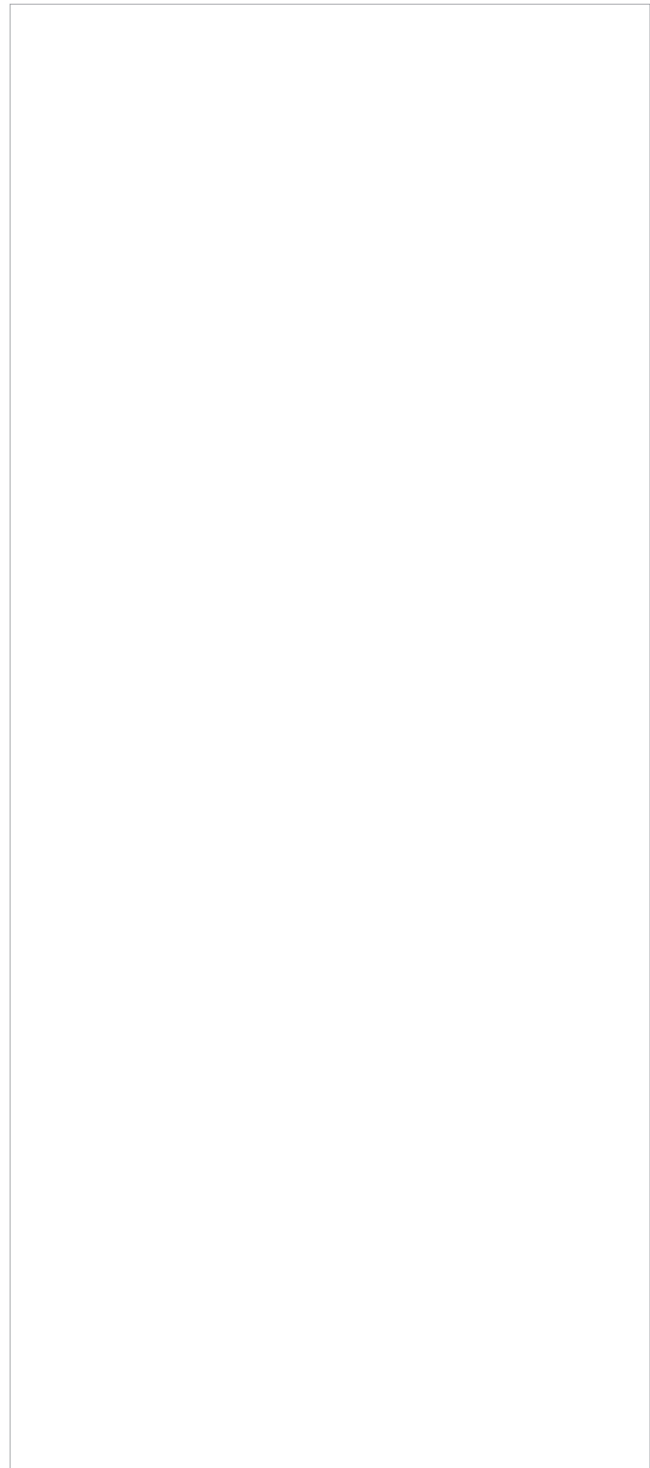
INTRODUCTION

In **Step 2: Evaluate the Past**, the executive team will meet for at least two hours to analyze three sources of information. This analysis will consist of repeating the same three-phase process.

SOURCE 1: FINANCIAL DATA | PAGE 77-79

Start by analyzing the finances of your company, from up to the last five years.

- Phase 1: Understand the Data | CFO presents presentation on company finances.
- Phase 2: Analyze Past Performance | Answer two questions: What worked? What didn't?
- Phase 3: State Future Intentions | Answer two questions: What will you keep doing? What will you change moving forward?





SOURCE 2: EMPLOYEE SURVEY | PAGE 81–83

Refer to the employee survey, which should have been compiled and analyzed by HR.

- Phase 1: Understand the Data | COO or HR representative presents a high-level overview of employee survey results.
- Phase 2: Analyze Past Performance | Answer two questions: What worked? What didn't?
- Phase 3: State Future Intentions | Answer two questions: What will you keep doing? What will you change moving forward?

SOURCE 3: KEY INITIATIVES AND GOALS | PAGE 85–87

This source should be summarized in your Goal Status Report (page 57).

- Phase 1: Understand the Data | Goal owners provide a 1-2 minute update on each of their goals.
- Phase 2: Analyze Past Performance | Answer two questions: What worked? What didn't?
- Phase 3: State Future Intentions | Answer two questions: What will you keep doing? What will you change moving forward?

Capture the results of your analysis on the following pages.

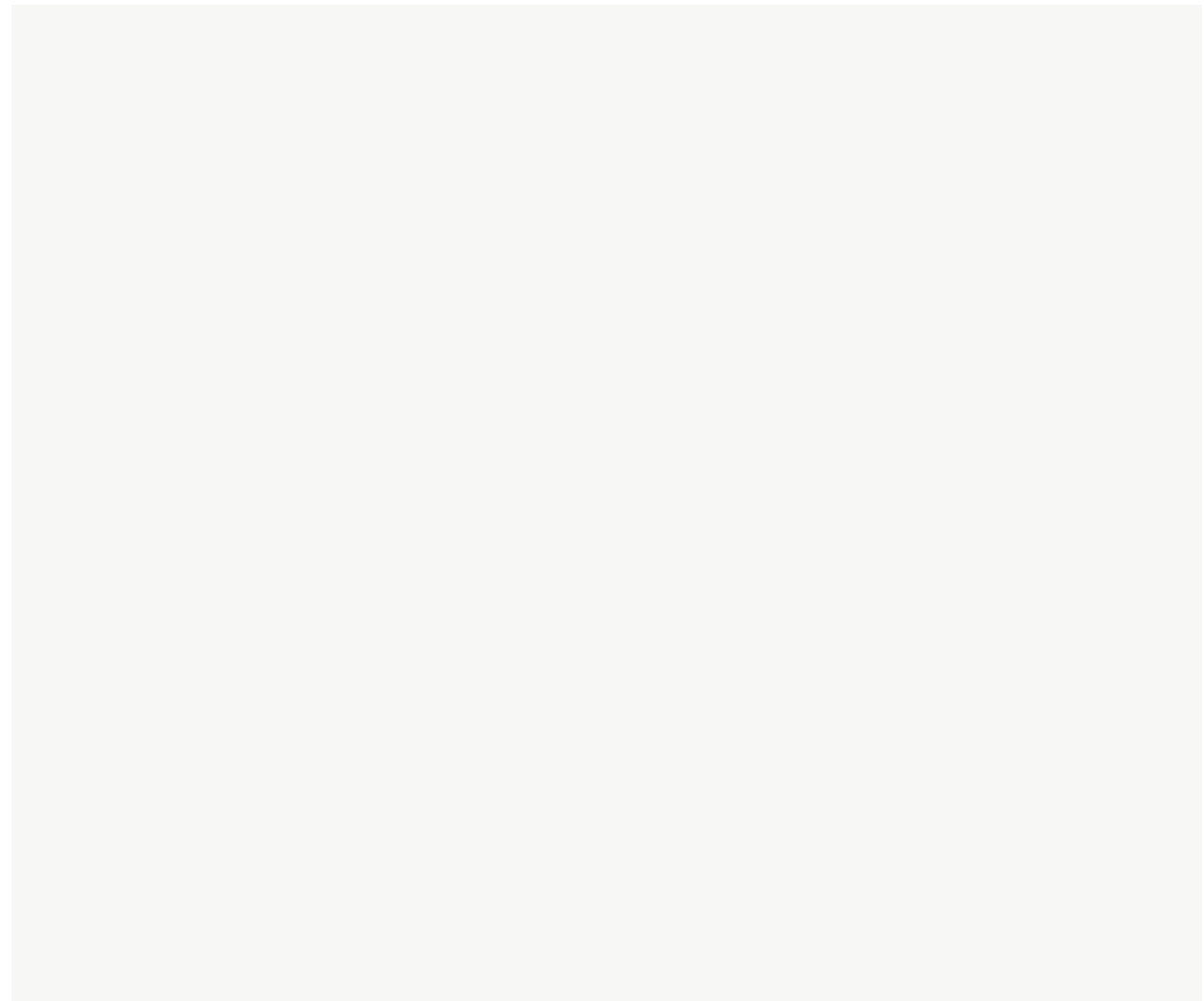
FINANCIAL ANALYSIS

PHASE 1: UNDERSTAND THE DATA

Write down notes or questions during the overview from your CEO or CFO about your company's performance.

EXAMPLE

- There seems to be a trend of going over on expenses each month.
- Our revenue has grown by roughly 8% each year for the past three years.
- We don't have payment tracking, but that would be helpful.



PHASE 2: ANALYZE PAST PERFORMANCE

Write down your observations, answering the following two questions.

WHAT WORKED?	WHAT DIDN'T?
EXAMPLE: We bought our building this year, which significantly contributed to the improvement of the debt-to-equity ratio	EXAMPLE: We are slow to invoice and follow up, which hurts our cash position
Categories to consider: year-to-date income vs. prior year; current year's forecast; trailing twelve-month; year-end balance; year-end cash flow, budget; gross margin; profit margin, profit margin by business segment or product category; leverage ration; debt-to-equity ration; inventory turnover; working capital; accounts receivable turnover	

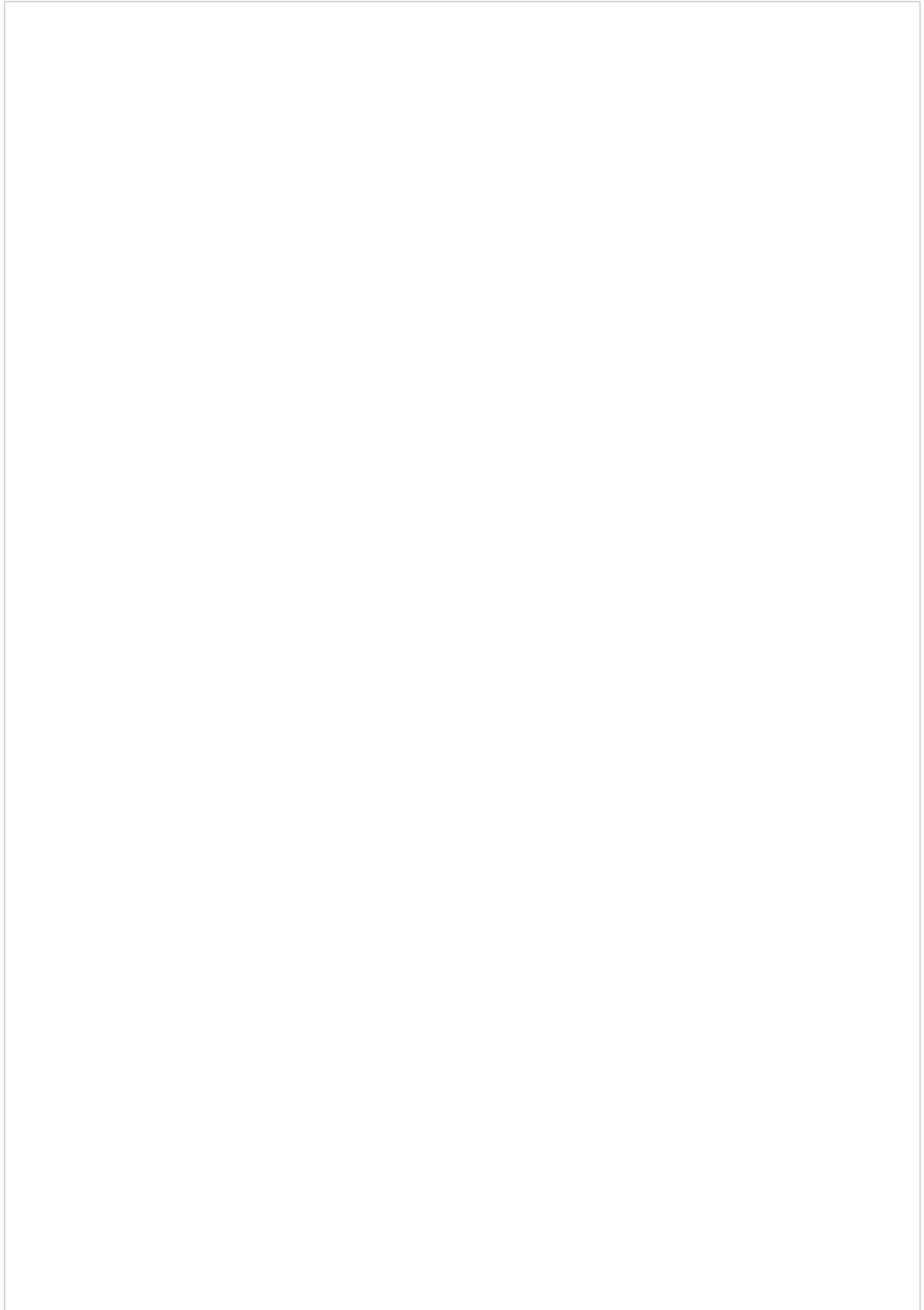
PHASE 3: STATE FUTURE INTENTIONS

Use your past to inform your future.

WHAT WILL YOU KEEP DOING?	
EXAMPLE: Paying for our admins to get their real estate licenses. It saves our agents time and allows them to focus on closing..	

WHAT WILL YOU CHANGE MOVING FORWARD?	
EXAMPLE: Passively tackling invoice payments. We need to actively track how long it takes to collect payment.	

Rank your intentions about what you'll keep or change in order of highest potential impact using the left column above.



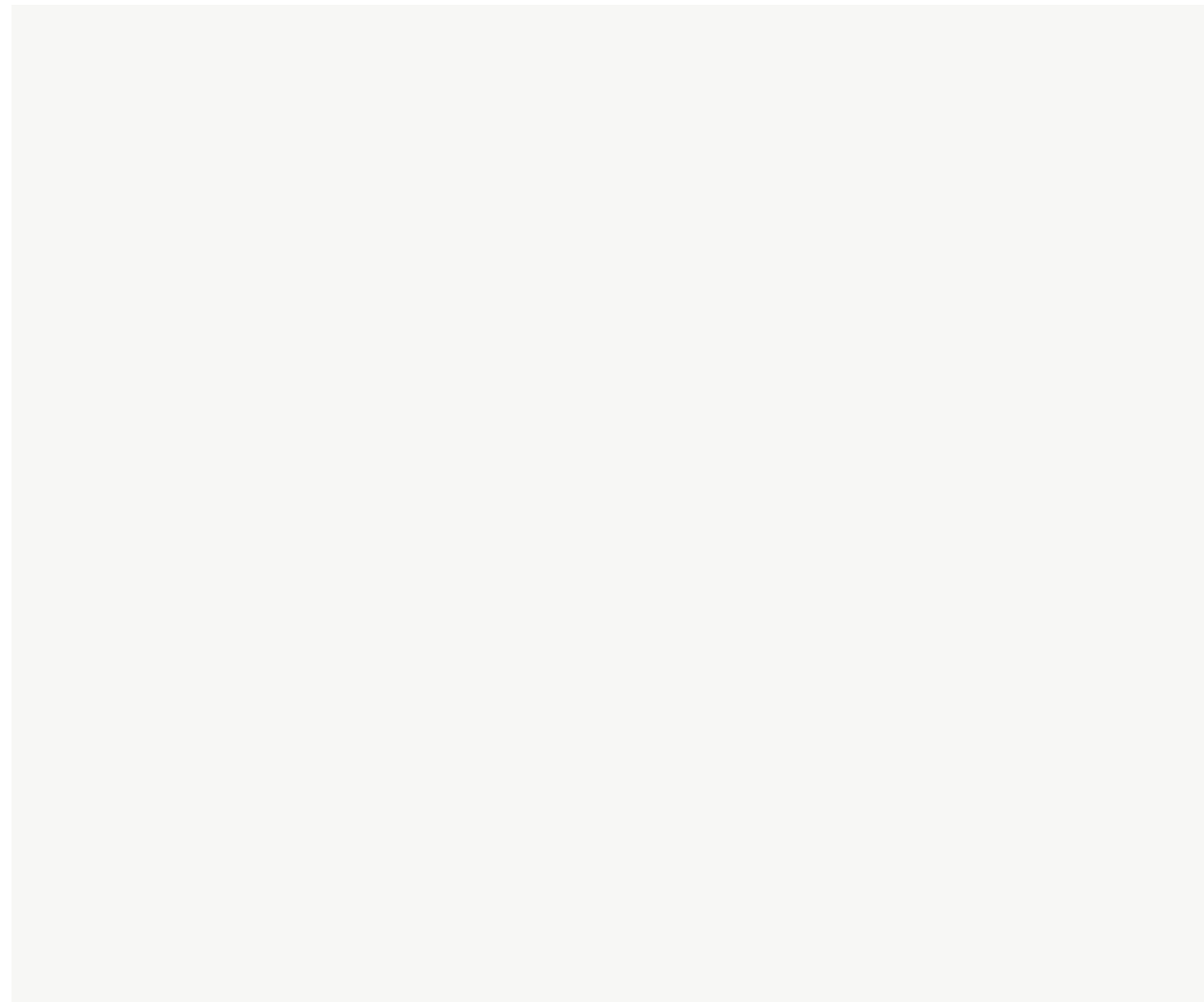
EMPLOYEE SURVEY ANALYSIS

PHASE 1: UNDERSTAND THE DATA

Write down notes or questions during the presentation of your company's survey results.

EXAMPLE

- Most employees reported that they like our benefits package.
- Very few employees said they could recall our core values.
- About half of our employees are aware of what positions we are currently hiring.



PHASE 2: ANALYZE PAST PERFORMANCE

Write down your observations, answering the following two questions.

WHAT WORKED?	WHAT DIDN'T?
EXAMPLE: Almost everyone commented on how much they love quarterly team-building events.	EXAMPLE: Many commented that they feel coming into the office every day isn't the most efficient use of their time.
Categories to consider: company culture; unplugged PTO; compensation and benefits; employee alignment; engagement and morale; company communication and feedback; employee development; diversity, equity, and inclusion; recruiting and retention; onboarding; new ideas	

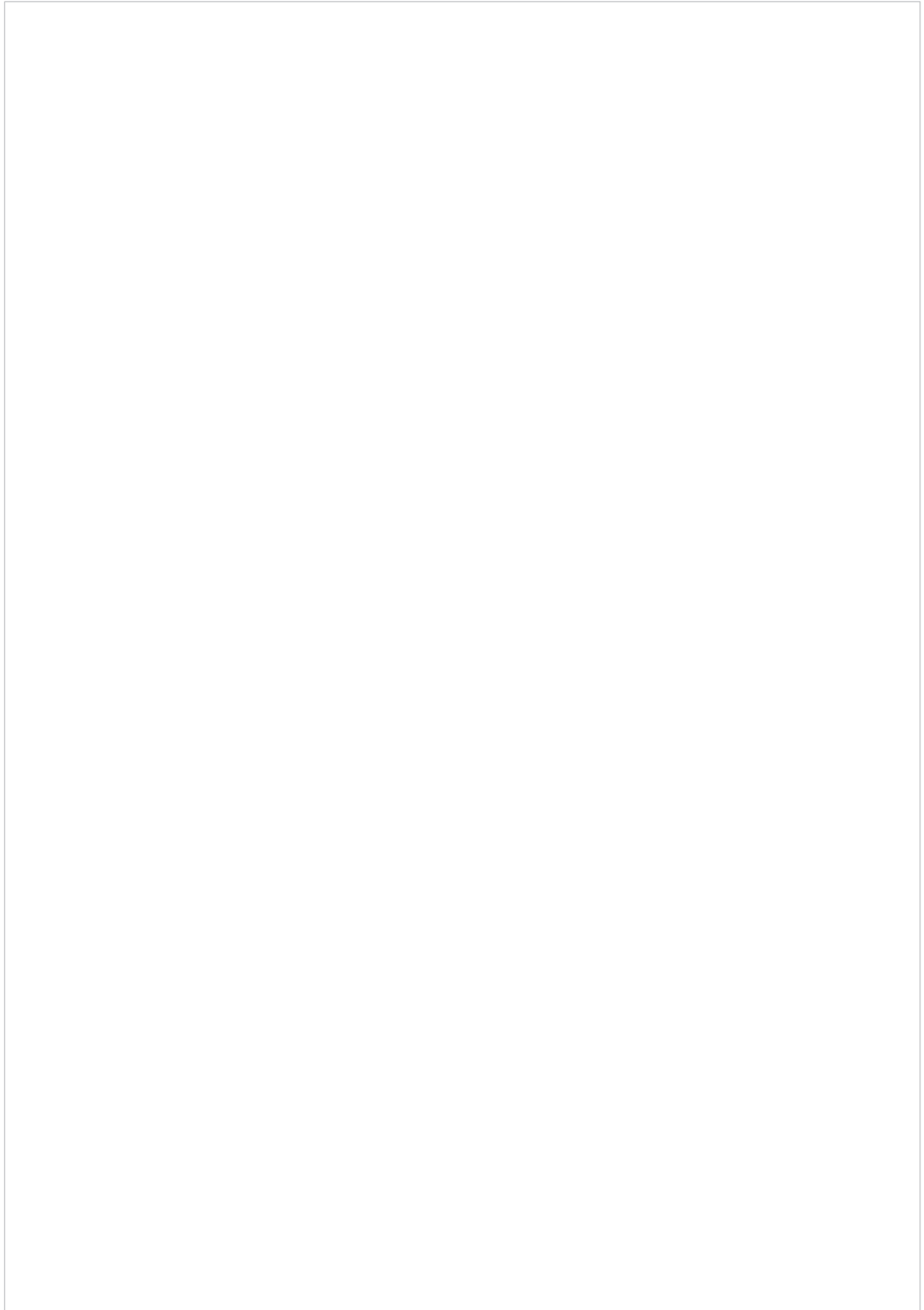
PHASE 3: STATE FUTURE INTENTIONS

Use your past to inform your future.

WHAT WILL YOU KEEP DOING?	
	EXAMPLE: Quarterly team building events.

WHAT WILL YOU CHANGE MOVING FORWARD?	
	EXAMPLE: Create a flexible work option for full-time employees to come to the office 3–4 days a week.

Rank your intentions about what you'll keep or change in order of highest potential impact using the left column above.



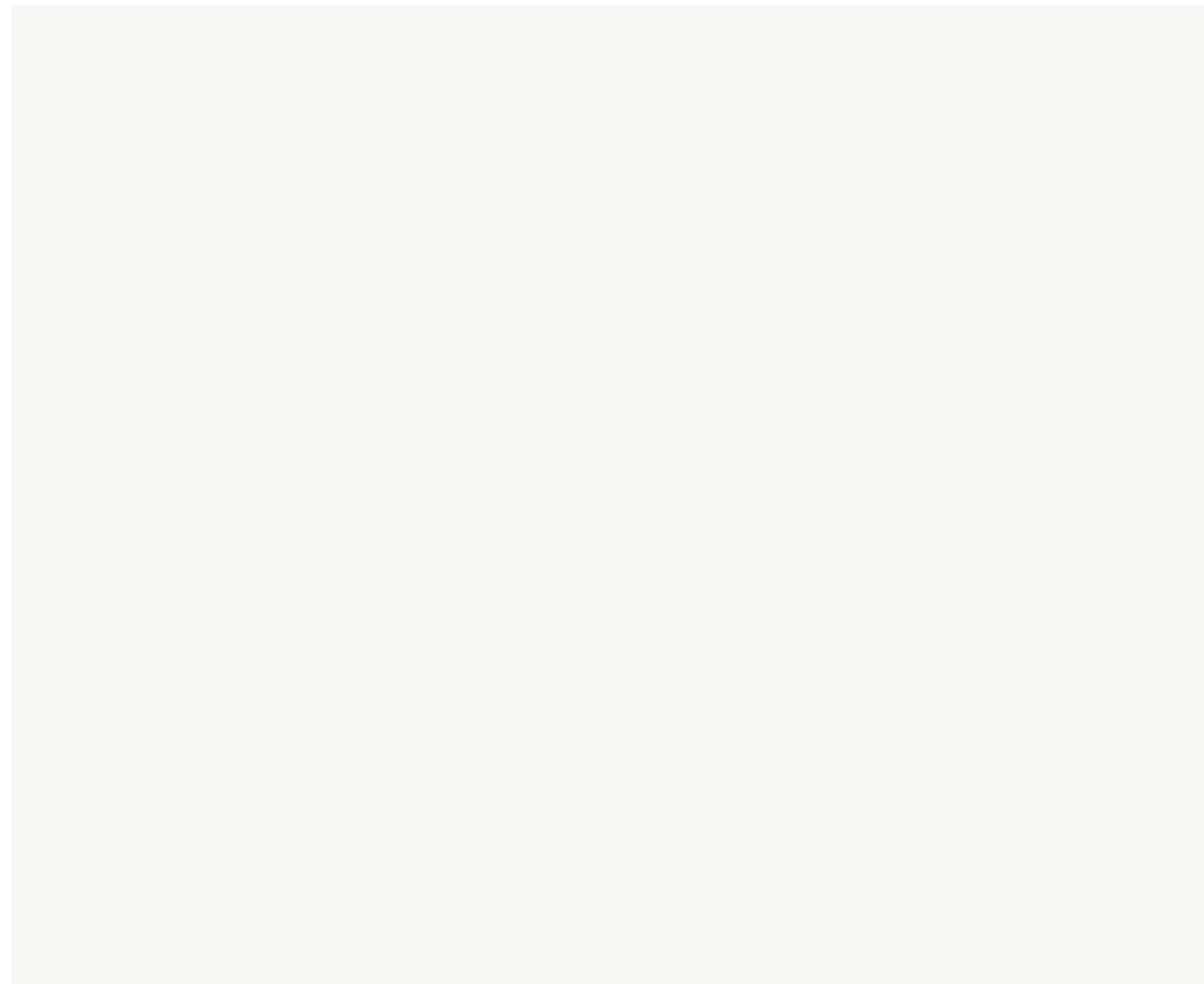
PERFORMANCE ANALYSIS: KEY INITIATIVES AND GOALS

PHASE 1: UNDERSTAND THE DATA

Write down notes or questions during the presentation of your company's initiatives and goals.

EXAMPLE

- We had talked about creating a leadership training program last year, but it never actually got executed.
- We exceeded our revenue goal by 5% last year.
- We went out to dinner as an executive team at the beginning of the year but never did it again. We need to make this a recurring, scheduled event.



PHASE 2: ANALYZE PAST PERFORMANCE

Write down your observations, answering the following two questions.

WHAT WORKED?	WHAT DIDN'T?
EXAMPLE: We exceeded our revenue goal due to a last-minute leasing push.	EXAMPLE: We didn't implement an official leadership training program.
Categories to consider: progress, processes, technology, communication, oversights, capacity, results	

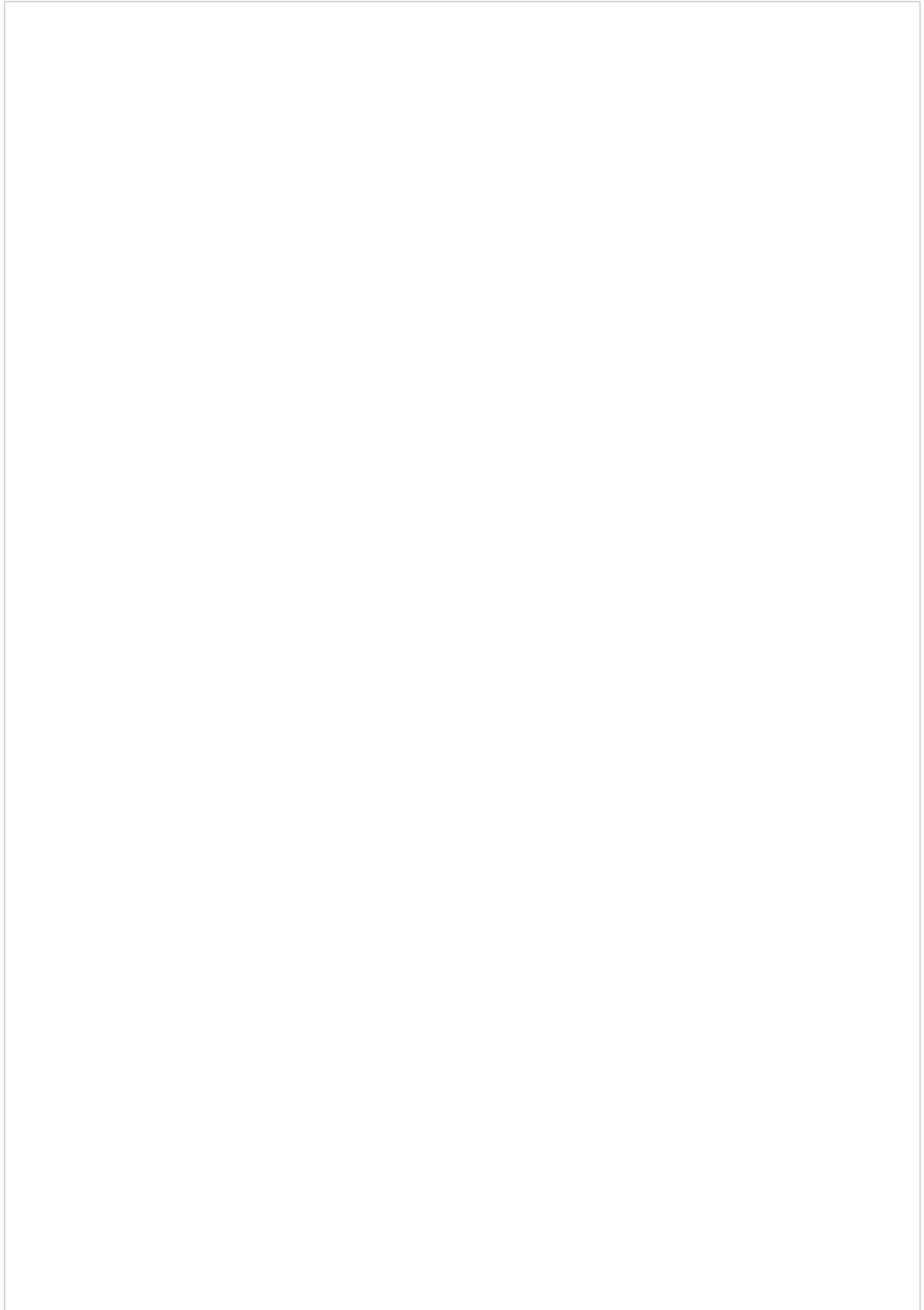
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CONCLUSION

1. What were your biggest takeaways from this exercise?

2. What makes you hopeful for the future?