



Business Risk Assessment

We believe that having a conversation about risk is a key to the success of your business. We invite you to use this risk assessment to examine the areas of potential risk with a critical eye, and identify what the highest risks are for your business. Your commercial banker at Landmark welcomes the opportunity to review the risk assessment for your business and work with you to develop strategies to help proactively address and mitigate those risks. Please rate your risk in each category as (H) High, (M) Moderate or (L) Low.

	Financial Health (Eight Drivers of Financial Success)
	1. Cash Flow
	2. Profitability
	3. Capital
	4. Leverage
	5. Liquidity
	6. Turnover and margins of accounts receivable and inventory
	7. Trends and industry comparisons
	8. Accuracy and timeliness of financial information
	9. Debt structure
	10. Interest rate risk
	Market
	1. What is your unique competitive advantage that will attract and keep customers?
	2. Is there adequate market for the product or service at prices that the business can be financially successful?
	3. What level of sales is necessary to achieve break even to pay taxes, distributions and debt service?
	Competition
	1. Who is the current competition and what are their competitive strengths and weaknesses?
	2. Who might the next competitor be?
	Management/Performance - Does management have the knowledge and experience necessary to assure performance?
	Industry - What risks are associated with the industry and what are the relevant trends?
	National, regional and local economic conditions and trends
	Counterparty - Who does the business rely on (employees, vendors and suppliers) and what risks are associated with them?
	Security
	1. Protection of assets and information
	2. Cyber security
	Regulatory and Political – what regulations impact the business now and will in the future?
	Management and Ownership Succession – what contingency plans are in place if key people in the business become disabled, die, leave or sell the company?
	Market price fluctuations
	1. Prices paid
	2. Prices received
	Technology – how does or can technology work for or against you?
	Legal
	1. Is the business structure of the company appropriate?
	2. Is legal advice obtained when appropriate to protect company interests?
	3. Liability protection?
	Reputation