AFFILIATED CORPORATE SERVICES, LLC

ACS RESOURCE CENTER

SMALL BUSINESS ANNUAL OPERATIONS REVIEW CHECKLIST

A practical annual review of the systems, processes, people, vendors, risks, and controls that keep a small business running

A growing business changes continuously. Customers, employees, vendors, technology, and processes change. An annual operations review creates a structured opportunity to examine how the business actually runs before another year of habits and workarounds becomes embedded.

THE CENTRAL QUESTION

Is the business operating the way we think it is—and what should we strengthen before small problems become larger ones?

REVIEW → VERIFY → IDENTIFY → PRIORITIZE → ACT → FOLLOW UP

Use each section to verify current practice, record exceptions, and identify specific actions. Mark only items you can substantiate; use the management summary and action table to follow through.

1. Business Direction & Operating Priorities

☐ Primary business objectives for the coming year are defined.
☐ Major products and services still align with current business direction.
☐ Significant changes during the past year have been identified.
☐ Management understands which customers/services generate the greatest operational demands.
☐ Major capacity constraints are understood.
☐ Responsibilities for important business functions are clear.
☐ Major projects or operational changes planned for the coming year are identified.
☐ Employees understand the priorities that directly affect their work.

Annual review snapshot

Review Period: ____

Review Date: ____

Review Led By: ____

Three most important priorities for the coming year:

1. ____

2. ____

3. ____

START WITH WHERE THE BUSINESS IS GOING

It is difficult to determine whether operations are ready for the next year without first understanding what the business expects to accomplish.

2. Processes & Workflow

☐ Critical recurring processes are identified.
☐ Major processes have clear owners.
☐ Employees generally follow a consistent workflow.
☐ Important handoffs are understood.
☐ Recurring bottlenecks have been identified.
☐ Rework and duplicate effort are being addressed.
☐ Excessive approvals or unnecessary steps have been challenged.
☐ Workarounds have not quietly replaced the intended process.
☐ Critical processes do not depend entirely on one person's memory.
☐ Opportunities for appropriate automation have been considered.
☐ Process changes made during the year are reflected in current documentation.

LOOK FOR THE WORKAROUND

A workaround may solve today’s problem while quietly becoming tomorrow’s process. If employees routinely bypass the documented method, determine whether the employees—or the process—need to change.

Process warning signs

☐ Work frequently waits between people or departments.
☐ Information must repeatedly be entered more than once.
☐ Employees regularly ask who owns the next step.
☐ Experienced employees use undocumented shortcuts.
☐ Customers experience delays caused by internal handoffs.
☐ Management repeatedly intervenes to keep routine work moving.

3. Sops, Policies & Documentation

☐ Critical procedures are documented where appropriate.
☐ SOPs reflect current practice.
☐ Responsibilities are clearly identified.
☐ Performance requirements are measurable where practical.
☐ Forms, links, screenshots, references, and attachments remain current.
☐ Obsolete procedures have been removed or clearly superseded.
☐ Employees know where current documents are located.
☐ Version control is adequate for important documents.
☐ Changes to processes trigger appropriate documentation updates.
☐ Important knowledge is not retained solely by one employee.

DOCUMENT CONTROL
A document that no longer reflects the work can create more confusion than having no document at all.

Documents requiring review/update: ________________________________

____

4. Employees, Training & Accountability

☐ Job responsibilities remain clear.
☐ New employees receive consistent training.
☐ Training materials reflect current work.
☐ Required skills/competencies are identified.
☐ Employees have the tools and system access needed to perform their jobs.
☐ Competency is verified where appropriate.
☐ Supervisors provide timely performance feedback.
☐ Recurring employee errors are evaluated for possible system causes.
☐ Cross-training exists for important functions where practical.
☐ Critical work can continue during normal absences.
☐ Required licenses/certifications/training are current.
☐ Performance expectations are consistently applied.

KEY EMPLOYEE DEPENDENCY
If a key employee were unexpectedly unavailable for 30 days, what work would become difficult or stop entirely?

Functions at risk: ____

____

5. Quality, Inspection & Corrective Action

☐ Important quality requirements are defined.
☐ Inspections or reviews occur where appropriate.
☐ Findings are documented consistently.
☐ Significant deficiencies receive follow-up.
☐ Corrective actions address causes—not merely symptoms.
☐ Corrective actions are verified for effectiveness.
☐ Recurring deficiencies are analyzed for patterns.
☐ Customer complaints are included in quality analysis where appropriate.
☐ Lessons from significant failures are applied elsewhere.
☐ Closed issues have actually been verified as resolved.

What kept going wrong this year?

Most Frequent Problem: ____

Most Significant Problem: ____

Problem Most Likely to Recur: ____________________________________

System Change Needed: ____

6. Customers & Service Performance

☐ Major customer requirements remain understood.
☐ Contract/service commitments are being met.
☐ Customer complaints are tracked where appropriate.
☐ Recurring complaints are investigated.
☐ Significant service failures receive appropriate follow-up.
☐ Customer communication responsibilities are clear.
☐ Important customer relationships are not dependent entirely on one employee.
☐ Changes in customer needs or expectations are being identified.
☐ At-risk accounts receive management attention.
☐ Lost business is reviewed for useful lessons.

DO NOT WAIT FOR THE TERMINATION NOTICE

Customer dissatisfaction often produces warning signs before an account is lost. Recurring complaints, reduced communication, unresolved problems, leadership changes, pricing pressure, declining engagement, and competitive activity may deserve management attention.

7. Vendors & Outside Providers

☐ Critical vendors are identified.
☐ Current agreements/scopes are available.
☐ Vendor performance is periodically evaluated.
☐ Significant deficiencies are documented.
☐ Corrective action is required when appropriate.
☐ Pricing/invoicing is periodically reviewed.
☐ Insurance/licenses/certifications are current where required.
☐ Alternative suppliers/providers are known for critical services where practical.
☐ Business understands important vendor dependencies.
☐ Outside providers do not have unnecessary control over critical business assets or accounts.

VENDOR DEPENDENCY

Which outside provider would create the greatest operational disruption if it became unavailable tomorrow?

Provider: ____

Business Impact: ____

Contingency: ____

8. Technology, Data & Digital Operations

☐ Important business systems are identified.
☐ Appropriate employees have required access.
☐ Former employees/providers no longer have unnecessary access.
☐ Multi-factor authentication is used where appropriate.
☐ Critical business data is backed up appropriately.
☐ Recovery procedures are understood for important systems.
☐ Software subscriptions are still needed and being used.
☐ Duplicate/unnecessary subscriptions have been reviewed.
☐ Business knows who controls critical technology accounts.
☐ Website/domain/digital properties remain under appropriate control.
☐ Key system integrations and automations still work.
☐ Technology problems creating recurring manual work have been identified.

TECHNOLOGY AND WORKFLOW

Technology should reduce friction—not quietly create more of it.

9. Safety, Compliance & Business Controls

☐ Required licenses and permits have been reviewed.
☐ Required insurance coverage has been reviewed with appropriate professionals.
☐ Safety procedures remain current where applicable.
☐ Required inspections/training/documentation are current.
☐ Contractual requirements are being tracked.
☐ Important records are retained appropriately.
☐ Approval authorities are understood.
☐ Financial/operational responsibilities include reasonable separation or review where practical.
☐ Sensitive information is appropriately controlled.
☐ Significant compliance changes affecting the business are identified and reviewed with qualified advisers when needed.

SCOPE OF THIS TOOL

This checklist is an operational management tool and is not legal, tax, accounting, insurance, cybersecurity, or regulatory advice. Consult qualified professionals for requirements applicable to your business.

10. Capacity, Continuity & Operational Risk

☐ Business has identified its most critical operations.
☐ Single-person dependencies are known.
☐ Critical vendor dependencies are known.
☐ Important customer concentration risks are understood.
☐ Equipment/system dependencies are identified.
☐ Essential records can be accessed when needed.
☐ Basic continuity arrangements exist for foreseeable disruptions.
☐ Emergency contacts are current.
☐ Appropriate backup suppliers/resources are known.
☐ Management understands which operational failures would have the greatest business impact.

What could stop the business?

Critical Dependency	What Could Happen?	Current Protection / Backup
1.		
2.		
3.		

Annual operations review — management summary

Use the following status descriptions. Do not assign an arbitrary numerical score.

ESTABLISHED System appears adequately defined and functioning.

OPPORTUNITY TO STRENGTHEN System exists but improvement would be beneficial.

NEEDS FURTHER REVIEW Potential weakness, uncertainty, or material issue deserves additional examination.

NOT ASSESSED Insufficient information or outside the scope of this review.

Priority terms: Address First / Consider Next / Opportunity

Area	Status	Primary Observation	Priority
Business Direction			
Processes & Workflow			
SOPs & Documentation			
Employees & Training			
Quality & Corrective Action			
Customers & Service			
Vendors			
Technology & Digital			
Safety/Compliance/Controls			
Continuity & Risk			

Turn the review into action

Give each improvement a clear owner, due date, and follow-up decision.

Improvement / Issue	Action Required	Owner	Due Date	Follow-Up

Top three operating priorities

1. Address First: ____

2. Consider Next: ____

3. Opportunity: ____

Next Management Review Date: ______________________________________

Five questions worth asking

1. What repeatedly consumed management time this year that should have been routine?
That often reveals weak processes or controls.

2. Where does the business depend too heavily on one person, vendor, customer, system, or piece of equipment?
Dependency creates operational risk.

3. Which recurring problems did we correct without actually preventing?
Those deserve deeper corrective-action review.

4. What changed during the year that our procedures, training, systems, or controls have not caught up with?
Businesses often change faster than their management systems.

5. If next year is significantly busier than this year, which part of our operation will struggle first?
This is an important growth and capacity question.

Annual operations management cycle

REVIEW → VERIFY → IDENTIFY → PRIORITIZE → ACT → FOLLOW UP

Review — How the business actually operates.

Verify — That systems, documents, controls, and responsibilities still reflect reality.

Identify — Weaknesses, dependencies, recurring problems, and improvement opportunities.

Prioritize — What deserves attention first.

Act — With clear ownership and due dates.

Follow Up — Confirm that the intended improvement occurred.

THE PURPOSE

The purpose of an annual operations review is to identify the few operational improvements that matter most.

Connect the ACS Resource Center

Process problem → #3 Small Business Process Documentation Checklist

SOP problem → #1 What Makes a Good SOP? and #2 Small Business SOP Starter Checklist

Training problem → #4 New Employee Training Readiness Checklist

Quality problem → #5 Workplace Quality Inspection Checklist

Recurring failure → #6 Corrective Action Quick Guide

Vendor problem → #7 Vendor Performance Evaluation Scorecard

Website problem → #8 Small Business Website Essentials Checklist

Digital visibility/reputation problem → #9 Local Business Digital Presence Checklist

Forthcoming / related resources: Customer service failure → #11 Service Recovery Guide; account loss/risk → #12 Losing a Customer Account — Prepare, Respond & Learn.

Want an independent look at your operations?

ACS offers eligible businesses one Complimentary Introductory Assessment. Depending on the issues identified, the most relevant assessment may involve Operations & Process, SOP & Training, Facility Services, Quality & Inspection, Web & Digital Presence, or Small Business Systems.

There is no fee, no obligation, and no requirement to purchase an ACS service.

acsllc-nc.com/assessment

EXPECTATIONS DEFINED. PERFORMANCE MEASURED. RESULTS MANAGED.