Mid-Year Business Review Playbook

Setting your business up for a GREAT second half

Why a Mid-Year Review?

The summer holidays are a fantastic time to stop and reflect on the past year. They allow a breathing space before the next the kicks off and before you know it, Christmas has rolled around again.

Our mid-year review playbook gives business owners a framework to review the year to date, making sure you're still on track and build momentum for a fantastic second half.

The review starts by comparing financial metrics, then operations and people and then finally reflects your strategy. If a change of direction is needed across any/all of these key business functions, then this is the perfect time to start contemplating it.

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Key Areas to Focus on

We break our review into FOUR focus areas. Each of these areas tackles a specific part of the business that drives overall profitability.

- Business
- Operations
- Team
- Strategy, Marketing and Sales

Area	Focus	Why it Matters	Practical Outcomes
Business	Financial metrics	Profit, cashflow and margins determine your options	Clear targets, budget adjustments, cash plan
Operations	Delivery and efficiency	A well-run business reduces stress and increases margin	Better systems, fewer errors, faster delivery
Team	Capability and accountability	People are your biggest cost and biggest leverage	Clear roles, KPIs, hiring/training plan
Strategy, Marketing & Sales	Revenue drivers and positioning	Sustainable growth comes from selling the right things to the right people	Updated sales plan, marketing priorities, focus offers

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Business

Your numbers give you a fantastic steer on how the business is performing. Ultimately the numbers dictate how well the business is running and hence how much profit you're making.

This Business focus aims to keep you on track financially.

Focus Area	Detail
Budget v Actuals	How well did you do against what you thought you'd do? Use this to get an understanding of where your business is going well and what's missing.
Operating expenses – are these in line with expectations?	Are your operating expenses aligned with what you expected? Have any overheads crept up over time, and are there costs that no longer add value?
Accounts receivable – bad debts, payment on time?	Make sure you're being paid on time. Is there anyone who owes you money or is consistently late in payment? Are slow payers putting pressure on cashflow or creating unnecessary admin?
Cashflow and working capital	Do you have sufficient working capital (i.e. cash)? Did you ever have moments where paying bills on time was a problem? Did you make all your tax and super payments on time? If not, you may need to adjust your cashflow plan or access additional capital.
Margins – gross margin v net margins	Margins are like an MRI for your business. They tell you what's healthy and what's broken. Are margins holding steady, improving, or declining? Are there areas of the business that look busy but aren't profitable? Look at margins by product and customer to get deeper insights.
Tax and tax planning	No one likes paying extra tax, and year end is too late to undertake proper tax planning. Are you forecasting your taxable position early enough to make smart decisions?

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Practical Steps

- Get your **numbers up to date** (reconciled, current, accurate). Speak to your bookkeeper/accountant if needed.
- Run a Year-to-Date **financial dashboard** showing revenue, profit, margins, cash position, debtors, and key expenses.
- For **working capital** in service businesses, 3x monthly expenses as a rule of thumb is often a good buffer.
- Deep dive into **profitability** and **margins** by customer and by product/service (and by staff if relevant).
- Review **working capital** and **cashflow** to confirm you have a buffer and visibility for the next 3 months.
- **Benchmark** your results against **industry averages** to see where you're ahead or behind.
- **Review** and update your **budget/forecast** so targets for the next 6 months reflect reality.

Next Steps

- **If profit is on track:** keep doing what's working, but look for 1–2 ways to improve margin (pricing, costs, efficiency).
- **If profit is not on track:** pick the biggest driver (pricing, costs, low-margin work, or too much overhead) and fix that first.
- **If cash is tight:** chase debtors faster, slow spending, and build a simple 13-week cashflow forecast so nothing surprises you.
- **If overheads have crept up:** cut or renegotiate your biggest costs this month (don't wait until year end).
- **If margins are dropping:** review your pricing and product mix. Growing revenue doesn't always mean you're making money.
- **Once you're clear on the numbers:** update the budget for the next 6 months and track progress monthly.

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Operations

Your operations determine how smoothly the business runs day to day. Strong operations reduce delays, errors and stress and they protect your margins as you grow.

This Operations focus aims to improve efficiency in your business- saving you time and potentially improving profit.

Focus Area	Detail
Delivery performance	How well are you delivering your product or service? Are you delivering on time and at the expected quality level? Where are delays, rework, or errors occurring?
Time to delivery – are you efficient?	How long does it take to deliver from start to finish? Is turnaround time improving or getting worse? Are customers waiting too long?
Consistency and quality	Are outcomes predictable and reliable? Are the same issues recurring (returns, complaints, mistakes, rework)?
Systems and processes	Are processes documented or reliant on people's memory? Are there bottlenecks or inefficiencies that cause frustration and wasted time?
Capacity and constraints	Do you have enough capacity to deliver consistently? Where is the business constrained (people, tools, suppliers, space, time)?
Customer experience	What is the customer experience like end-to-end? Many business owners don't know! What are the most common points of friction, and what do customers love?

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Practical Steps

- Update your **operational data** (delivery time, quality issues, customer complaints, on-time delivery).
- Map the **delivery process** from start to finish and identify where work slows down or breaks down.
- Identify the top 3 **bottlenecks** impacting customers, team workload, or profitability.
- Review customer **feedback** and **recurring issues** and make sure to discuss with the team.
- Check **capacity** and **constraints** (people, tools, suppliers, space, time) for the next 6 months.
- Standardise **key processes** so delivery is **consistent** and not dependent on one person. Keep these in a central location and train up your team.

Next Steps

- **If delivery is working well:** lock it in with systems and simple checklists so it stays consistent as you scale the business.
- **If customers are complaining or delays are common:** fix your biggest bottleneck first. Maybe it's process, requesting information or communicating additional work. Don't try to solve everything at once.
- **If the team is constantly putting our fires:** simplify processes, reduce handovers, and remove unnecessary steps. This removes potential for smaller errors and keeps focus on strategy and problem-solving.
- **If quality issues keep repeating:** identify the root cause and put a process in place so that it doesn't happen again.
- **If capacity is tight:** decide whether to hire, outsource, change what you offer, or slow down growth until delivery is stable.
- **Set one operational improvement goal** for the next 30–60 days and check progress weekly.

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Team

Right people doing the right thing at the right time? No matter what industry you're or what business you're running, it's people that run it.

Even if you're a sole trader, taking some time to reflect on yourself is helpful in building your business.

Focus Area	Detail
Right people in the right roles	Are the right people doing the right work at the right time? Are roles aligned to strengths and business needs, or are you working around gaps?
Role clarity and accountability	Does everyone know what they own and what success looks like? Are responsibilities clear, or are tasks falling between people?
Performance and KPIs	Are KPIs clear, measurable, and relevant? Are people meeting expectations, and do you have a consistent rhythm for feedback and performance conversations?
Capacity and workload	Does the team have enough capacity to execute the plan? Is anyone overloaded, underutilised, or at risk of burnout?
Hiring (or exiting)	Do you have the right headcount and skills for the next six months? Are there roles you need to hire for, and are there people who may need to be moved on?
Skills and training needs	What capability gaps are holding you back? What skills do your people need to improve delivery, sales, systems, and leadership?

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Practical Steps

- Review role **clarity** and **accountability** to confirm who owns what and where gaps in responsibilities may exist.
- Review **performance** and KPIs to ensure expectations are clear and aligned to business goals. These can be broken out into hard metrics (quantitative) and soft metrics (qualitative).
- Run mid-year **check-ins** and agree goals for the next 6 months with each team member.
- Assess **workload** and **capacity** to identify burnout risk, bottlenecks, or underutilisation of your employees.
- Identify **skill gaps** and **training needs** required for the next 6 months plan.
- Confirm **hiring** or **restructuring** needs early, before the business and culture is under pressure.

Next Steps

- **If your team are strong:** keep them engaged, give them clear goals, and delegate more so the business isn't over-reliant on you.
- **If roles are unclear:** clarify responsibilities and expectations and document these somewhere central. Doing this alone fixes a lot of performance issues with your staff.
- **If staff performance is slipping:** address it directly now (coaching, support, clear expectations). Don't let it drag; staff don't like bad performance surprises either!
- **If someone is a poor fit:** make a plan. Move them into a better-suited role, place them on a performance improvement plan, or make the tough call. It's your business after all. Make sure you seek proper legal advice and consult FairWork Australia for guidance.
- **If you're short on capacity:** hire the right people early or pause growth tactics to limit stress on your team and resources.
- **Align the team priorities across the next 6 months** so everyone knows what matters most and who owns what.

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Strategy, Marketing and Sales

Ultimately, it all comes back to sales, which are driven by your marketing, which is dictated by your strategy. Your mid-year review is a perfect time to reflect on the ultimate goals of your business and how that ties into your marketing and hence sales.

Focus Area	Detail
Sales performance vs budget	Are you hitting targets? If not, where is the gap (lead volume, conversion rate, average order value, retention)?
Offer and product/service mix	Are you selling the right things? Which products or services are most profitable, and which are losing money or just breaking even.
Target market and positioning	Are you attracting the right customers as per your strategy? Do customers clearly understand why they should buy from you and what makes you different?
Marketing activity vs outcomes	What was planned as party of your marketing strategy, and what actually happened? Which activities generated measurable results and which were busy work?
Customer acquisition channels	Where are leads coming from (referrals, SEO, paid ads, partnerships, social media, outbound)? Are you over-reliant on one channel? You need to link your sales data with the corresponding channel.
Conversion and sales process	Is your sales process consistent and repeatable? Where are leads dropping off (enquiry → quote → close)? Tracking this tells you where to focus your energy and allows you to give feedback to your sales team!

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Practical Steps

- **Update** and **review** sales performance year-to-date vs budget, by offer, channel, and customer segment.
- Identify what's driving **profit** (best customers, products/services, and channels) and what's not working.
- Review your **funnel** to find the biggest **bottleneck** (lead flow, conversion, average sale, retention)
- Review marketing **activity** vs **outcomes**. Focus your energy on which action is producing the desired action.
- Clarify your **offer** and **messaging** so it's easy for customers to understand and buy.
- Choose 1–2 priority **growth channels** and set monthly **targets** to track progress.

Next Steps

- **If sales are strong:** focus your attention on your best channel and best offer, what's already working that you could do more of?
- **If sales are down:** work out what's causing it, could it be fewer leads, lower conversion, lower pricing, or fewer repeat customers in the last 6 months?
- **If your marketing feels random:** pick 1–2 channels and stick with them for the next 90 days. Track results carefully and tie effort to outcomes.
- **If customers aren't converting:** tighten your messaging, improve your follow-up, and make it easier to buy or enquire.
- **If you're growing but not making money:** focus on margin and product mix, not just revenue.
- **Set monthly targets and track them** so you're not guessing what's working.

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Mid-Year Review Process Road Map

Ok, so how do you practically implement the review?

Set out below are 8 steps that will help guide you.

1. Gather Data (Week 1)

Collect financials, ops metrics, sales data, team performance notes

2. Baseline & Benchmark (Week 2)

Compare budget vs actuals, last year, and industry benchmarks

3. Deep Dive (Week 3)

Identify root causes of gaps and opportunities

4. Review Plan & Strategy (Week 4)

Confirm priorities and targets for the next 6 months

5. Align Accountabilities

Assign owners, KPIs, and OKRs for each priority

6. Share With the Team

Communicate the plan and confirm expectations

7. Identify Gaps & Needs

Skill gaps, hiring needs, marketing alignment, resourcing

8. Monitor Monthly Against KPIs

Review progress, adjust early, stay on track

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Common Mistakes to AVOID

Many businesses make the same planning mistakes. Here's how to plan your reset to see real results by year-end.

1. Planning With **Hope** Instead of **Data**

If your business has been running at a 20% margin for the past 6 to 12 months, it is unrealistic to plan for a 32% margin in the next half without major changes. Your current run rate is the most likely outcome unless you actively change pricing, costs, efficiency, or product mix.

2. Chasing **Revenue** and Forgetting **Profit**

Top-line growth can look impressive and feel good. However, you cannot eat revenue, you eat profit. If your margin is not healthy, more sales can actually create more stress, more workload, and less cash.

3. Waiting Until **Year End** to Fix Problems

Year end is too late. Mid-year is your best chance to course-correct while there is still time. Small changes now can dramatically improve your final result. Waiting usually creates panic decisions and cashflow pressure.

4. Underestimating **Capacity** and **Working Capital**

Growth requires resources.

Do you have the cash, people, time, space, tools, or suppliers to deliver properly? If you sell products, do you have enough stock and storage? If you run a service business, do you have the team capacity to deliver without delays or burnout? Resource constraints are often the hidden limiter to growth.

5. Treating **KPI** Tracking as **Admin** Instead of **Insight**

KPIs are not a compliance exercise. They are your early warning system. If you only look at numbers after the month ends, or you track too many meaningless metrics, you miss the chance to spot issues early and adjust quickly.

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How to Make Your Mid-Year Reset Effective

Here is our set of practical recommendations for your reset. Hopefully, you make a considerable improvement in each key area before the year ends.

☐	Schedule Your Review	Place it in the calendar now and treat it like a real business priority, not something you squeeze in between client work. Block time for analysis, decision-making, and planning. If you have a leadership team, include them.
☐	Designate Ownership	Assign a "Review Leader" (this may be you, your operations manager, or your finance lead) to coordinate data gathering, review meetings, decisions, and follow-ups. Without ownership, the review becomes a discussion with no outcomes.
☐	Get the Data Up to Date	Make sure your numbers and business metrics are current. Decisions are only as good as the data behind them. Update your financials, dashboards, sales activity, customer insights, and team performance data before you start making plans.
☐	Use Consistent Templates and Tools	Use simple, repeatable templates (spreadsheets, dashboards, scorecards) with clear definitions so you can compare month-to-month and year-to-year. Consistency reduces confusion and helps you spot trends faster.
☐	Communicate and Align	Share the outcomes of the review with your team. Make sure everyone understands what's changing, what the priorities are, and what success looks like. Align roles, KPIs and incentives to match the business goals.
☐	Promote Transparency and Improvement	Encourage open conversations about what's working and what's not. Use data to guide decisions rather than gut feel. Progress comes faster when issues are surfaced early and addressed directly.
☐	Set a Regular Review Cadence	A mid-year review only works if it becomes part of a rhythm. Set weekly, monthly and quarterly check-ins to track progress against existing KPIs. This keeps you proactive rather than reactive and allows you to course-correct early.

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