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SCALING IMPACT

Streamlining Entrepreneurial Support
with a Business Health Assessment

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A background image showing three people in a meeting. A man in a light blue shirt is looking towards the right. In front of him, a man with short dark hair is looking down. To the right, a woman with dark hair is also looking down. They appear to be in a collaborative work environment.

Motivation

Engaging entrepreneurs effectively is the heartbeat of any business support program. Entrepreneurs benefit from tailored interactions that cater to their needs and stem from a deep understanding of their business. But how can business coaches deliver personalized support at scale?

This insight brief explores how AEO's Business Health Assessment (BHA) can be used as a tool to help business coaches and consultants deliver one-on-one services more efficiently and effectively.

Program Overview

In 2024, AEO partnered with five Business Support Organizations to test and reimagine its Business Health Assessment (BHA)—an innovative tool designed to identify what businesses are doing well and where they need support. Entrepreneurs completed a series of questions and, moments later, received a clear, actionable PDF outlining their strengths, challenges, and opportunities. Their business coach got the same snapshot, opening the door to deeply personalized guidance. The goal? A tool that gives coaches a 360-degree view of a business and the owner's perspective, empowering them to tackle tough challenges and steer entrepreneurs toward success. To assess the BHA's value, we surveyed 142 participating entrepreneurs and held in-depth design and feedback sessions with partners and coaches. This brief captures the highlights—pointing the way to a smarter, more flexible BHA that promises to transform how we deliver technical assistance, all while making every dollar count.

Key Insights for Business Support Services

01

Streamlining Data Collection to Empower Coaches and Entrepreneurs.

- The Business Health Assessment (BHA) can transform how business coaches gather and analyze critical data about entrepreneurs. Currently, coaches typically rely on intake forms, follow-up conversations, and serendipitous moments where the right question uncovers a key issue. While effective, this process can be inconsistent and time-consuming. The BHA aims to streamline this by serving as a comprehensive “catch-all” tool that centralizes the most important baseline information at the outset.
- By equipping coaches with a deeper understanding of the business before their first interaction, the BHA frees up time for more meaningful discussions about root causes and priorities. This allows coaches to shift their focus from collecting surface-level data to asking probing questions that address entrepreneurs' most pressing challenges.
- Partners highlighted the value of designing survey questions that identify common pitfalls, such as financial literacy gaps often mistaken for bookkeeping issues. This approach ensures that the BHA provides insights entrepreneurs might not even know they need,

02

Centering the Entrepreneur's Perspective, Not Just the Metrics.

- While metrics like profitability and cash flow are crucial indicators of a business's health, they don't tell the whole story. Partners emphasized that the BHA should also explore how entrepreneurs think and feel about these metrics. For example, if profitability is flagged as a weakness, is it a priority for the entrepreneur? Or are there other goals—like community impact or creative expression—that matter more?
- By combining traditional business metrics with insights into entrepreneurs' mindsets, the BHA can guide coaching sessions that are both practical and empathetic. Understanding how an entrepreneur perceives their challenges and opportunities can help coaches tailor their guidance to align with the entrepreneur's values, priorities, and stressors. This holistic approach strengthens trust and ensures that coaching addresses both the business's performance and the entrepreneur's well-being.

Key Insights for Business Support Services

03 Fostering Trust and Relationships for More Transformative Coaching.

- The BHA process can potentially feel overly transactional—jumping from identifying a problem to recommending a solution without considering the entrepreneur's preferences, resources, or values. Partners pointed out that this approach risks undermining trust, as entrepreneurs may feel disconnected from generic solutions that don't align with their unique circumstances. For example, a suggestion to use Fiverr for marketing challenges might seem practical but could clash with an entrepreneur's preference to work with local providers.
- Instead of offering one-size-fits-all solutions, the BHA can categorize challenges into thematic areas, encouraging meaningful conversations between entrepreneurs and coaches. These discussions can explore how an entrepreneur feels about an issue, what their values are, and what personal factors influence their decisions.
- By prioritizing relationships and trust, the BHA can create a stronger foundation for transformative coaching that helps entrepreneurs navigate challenges in ways that feel authentic and achievable.

04 Making the BHA More Flexible with a Modular Design.

- The BHA can feel overwhelming, especially when delivered as a single, lengthy survey at the start of the relationship. Some organizations delay administering surveys until they've built trust with the entrepreneur, recognizing that asking for too much too soon can erode trust rather than build it.
- Program partners proposed a modular design for the BHA to address this challenge. For example, an initial module could gather information about the entrepreneur's background and goals during the intake process. Subsequent modules could dive deeper into specific areas like marketing or financial management as the coaching relationship evolves.
- This modular approach would allow organizations to integrate the BHA into their programs at the right time, ensuring each step feels relevant and valuable to the entrepreneur.
- A modular design also lets entrepreneurs and coaches prioritize what's most pressing, avoiding the need to tackle every issue at once. By breaking the process into manageable pieces, the BHA can better support trust-building and engagement while still delivering valuable insights over time.

Key Insights for Business Support Services

05

Leveraging Technology to Enhance Personalization and Engagement

- The program revealed exciting opportunities to use technology, particularly AI, to make the BHA even more dynamic and user-friendly. For example, AI could tailor the assessment process based on the entrepreneur's responses, highlighting areas of concern while minimizing irrelevant questions. It could also provide more nuanced outputs, offering insights that combine business performance metrics with entrepreneur-specific data, such as their priorities or stressors.
- By embracing AI, the BHA could evolve into an even more personalized tool that adapts to each entrepreneur's journey, making the process more engaging and the insights more actionable. This innovation would not only improve the user experience but also ensure that the BHA remains a cutting-edge resource for delivering impactful, individualized support.

Together, these findings demonstrate a commitment to supporting entrepreneurs with tools that are as dynamic, thoughtful, and adaptable as the businesses they aim to grow.

Key Findings from Entrepreneurs: Insights from the Business Health Assessment

The Business Health Assessment (BHA) is a powerful tool for uncovering the realities of small business ownership. By combining a thorough analysis of business operations with actionable recommendations, the BHA provides entrepreneurs with insights on their strengths, challenges, and opportunities. The following sections outline key findings from the baseline data and feedback gathered from 142 small business owners during user testing.

Who Are the Entrepreneurs?

The entrepreneurs participating in the program reflect the diversity and resilience of small business owners. Most (61%) operate as solopreneurs, running their businesses without employees or co-owners. Despite their small size, they demonstrate significant levels of formalization, with 61% registered as Limited Liability Corporations, which can facilitate access to capital and growth opportunities. The majority of businesses are relatively new—half launched after 2019—and have a median annual revenue of \$45,000.

The entrepreneurs also stand out for their diversity and representation: 75% are women, and participants represent a wide range of racial and ethnic backgrounds.

This diversity highlights the need for tailored support that addresses the challenges and goals of underserved business owners.

Entrepreneurs' Perspectives on the BHA

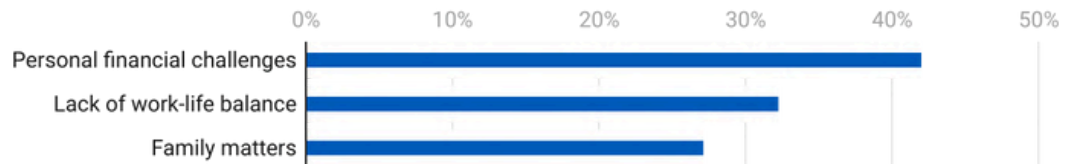
Feedback from the user testing of the BHA highlighted its strengths as well as areas for improvement. Entrepreneurs valued the assessment for its ability to guide reflection and prioritize actionable next steps:

- **Practical Tools and Recommendations:** Entrepreneurs appreciated the clear, realistic, and actionable guidance the BHA provided to tackle immediate challenges.
- **Comprehensive Analysis:** Many described the BHA as a thorough diagnostic, offering a holistic view of critical business areas and revealing blind spots they hadn't previously considered.
- **Encouraging Reflection:** The assessment prompted entrepreneurs to think deeply about their operations, helping them identify priorities and explore strategies for growth.
- **Goal Setting and Prioritization:** Entrepreneurs found the BHA useful for evaluating progress toward goals and identifying critical tasks to focus on.

Key Findings from Entrepreneurs: Top Challenges Reported in the BHA

(% of businesses reporting challenges by survey area)

Personal Challenges



Industry Challenges



Business Operations Challenges



Technology and Software Challenges



The BHA revealed a complex mix of financial, operational, and personal challenges that entrepreneurs navigate daily:

- **Financial Strain:** Limited budgets, cash flow uncertainty, and fluctuating expenses remain significant barriers, constraining growth and stability.
- **Operational Pressures:** Solopreneurs often struggle to manage their businesses without employees, while industry competition and market shifts leave many feeling overwhelmed.
- **Personal Stress:** Work-life balance and family obligations directly impact entrepreneurs' ability to focus on growth.
- **Technology and Resource Gaps:** Many entrepreneurs struggle with adopting affordable technology solutions that align with their needs and budgets.

These findings underscore the need for holistic support systems that address not only business operations but also the personal and structural challenges entrepreneurs face.

Entrepreneurs' Perspectives



What Entrepreneurs Found Helpful

- // The assessment provided feedback on things I was unsure about. Hearing some constructive insight is always a plus for me!"
— Entrepreneur, Arts & Entertainment, Washington, DC.
- // The BHA helped me assess where I was in achieving my goals and where I need to prioritize tasks."
— Entrepreneur, Healthcare & Social Assistance, New York, NY.
- // The assessment revealed some blind spots, and now that I'm aware of them, I can address them."
— Entrepreneur, Accounting & Tax Preparation, North Chesterfield, VA.
- // The BHA provided insights on what areas I need to focus on the most."
— Entrepreneur, Personal Services, Washington, DC.



How We Can Improve the BHA

- // Provide references or referrals for agencies/entities that could assist in some of the recommended improvements needed."
— Entrepreneur, Personal Services, Washington, DC.
- // Provide step-by-step guides for each of the major areas covered in the BHA in one resource bank or website."
— Entrepreneur, Management Consulting Services, Washington, DC.
- // Offer business coaching to follow up and a guide to access funding."
— Entrepreneur, Event Promotion and Management, Washington, DC.
- // Industry-specific, geographically targeted resources."
— Entrepreneur, Management Consulting Services, Florissant, MO.

Source: Responses to the Entrepreneur Feedback Survey administered 48 hours after completing the BHA.

Key Findings from Entrepreneurs: Opportunities to Enhance the BHA

Enhancements for Entrepreneurs

While entrepreneurs found value in the BHA, they also identified areas for improvement to increase its impact:

- **Tailored Resources:** More industry-specific and regionally relevant tools would provide actionable insights aligned with entrepreneurs' unique needs.
- **Funding Support:** Entrepreneurs requested greater access to information on grants, credit readiness, and other funding opportunities.
- **Expert Connections:** Participants emphasized the value of direct connections to professionals like lawyers, accountants, and mentors.
- **Actionable Guides:** Step-by-step tools and training opportunities, such as webinars or grant writing tips, were frequently mentioned as priorities.

- **Follow-Up Support:** Many entrepreneurs noted that ongoing communication—such as follow-up coaching—would help them implement recommendations effectively.

Implications for Support

The findings highlight the dual value of the BHA: it provides entrepreneurs with the clarity to reflect and prioritize while equipping coaches with essential insights to guide one-on-one support. Entrepreneurs emphasized the importance of local, personalized resources, support with concrete next steps, and ongoing engagement to maximize the BHA's impact.

By enhancing the tool to better inform and guide entrepreneurs' discussions with coaches while highlighting actionable options and resources, AEO can deepen its role in empowering small business owners to overcome challenges, achieve their goals, and drive sustainable growth.

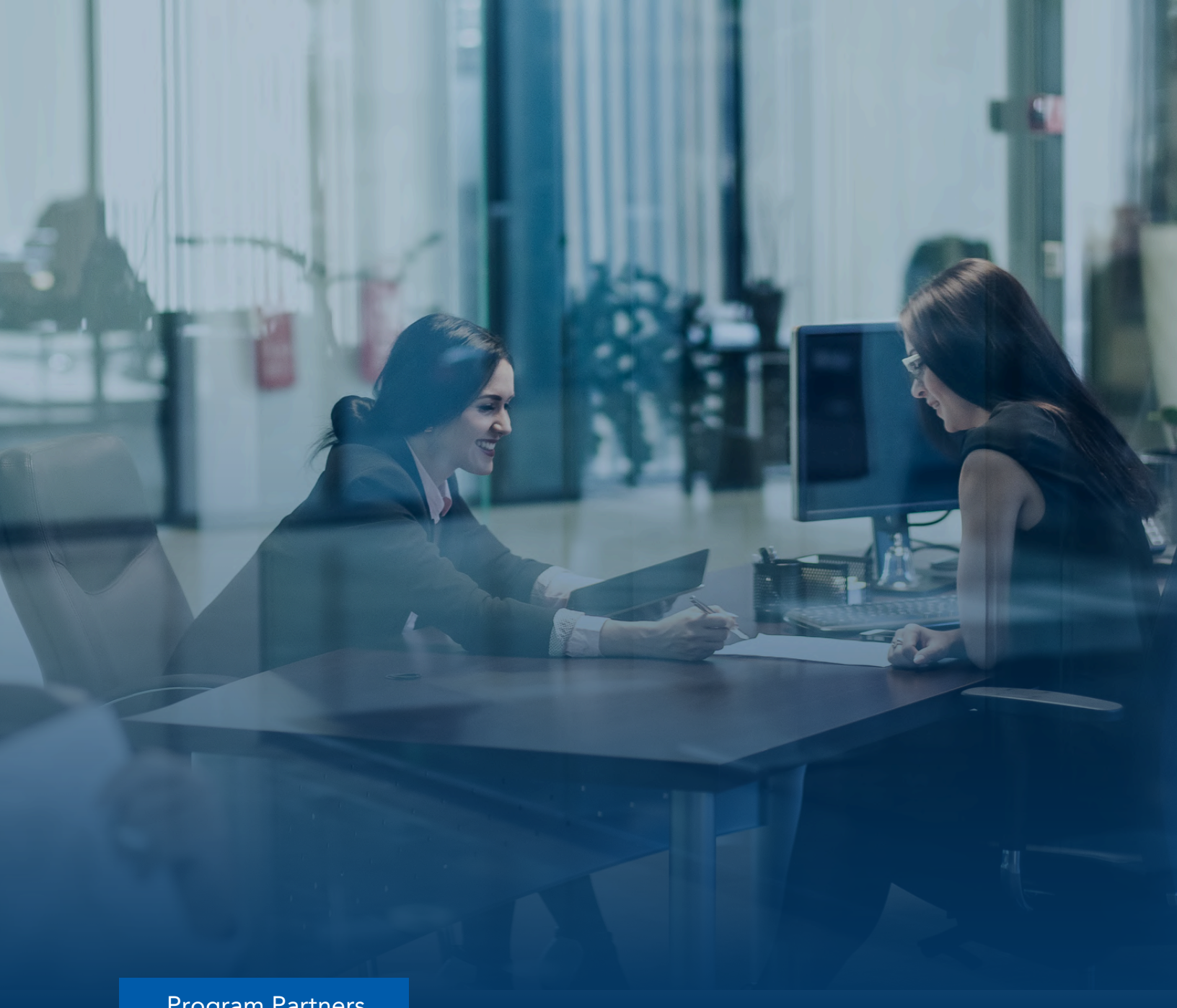




Conclusion

At its best, the Business Health Assessment (BHA) is not just a diagnostic tool but a conversation starter—a catalyst for deeper understanding and stronger relationships between business owners and their advisors. However, the feedback makes clear that its effectiveness depends on how well it adapts to individual needs. The opportunity is clear: by evolving the BHA to be more flexible, personalized, and collaborative, it may become a cornerstone of small business success.

When paired with thoughtful coaching and actionable follow-up, the BHA can go beyond identifying pain points—it can help entrepreneurs chart a course for growth that aligns with their values, priorities, and unique circumstances. In doing so, it has the potential to empower not just individual businesses, but the communities they serve.



Program Partners



ONABEN



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About Research at AEO

As the leading voice of innovation in microbusiness, the Association for Enterprise Opportunity (AEO) has an extensive history of conducting research that aims to understand, support, and promote the interests of underserved nonemployer, small, and microbusinesses. For more than 30 years, AEO and its member and partner organizations have helped millions of underserved entrepreneurs in starting, sustaining, and growing their businesses. Together, AEO is working to change the way that capital and services flow to underserved entrepreneurs so that they can create jobs and opportunities for all.

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