

Step 1: Setting Exit Objectives

Score (0-5)

I have clear exit objectives and have prioritized them

I know how much longer I want to work in the business before retiring or moving on

I know the annual after-tax income I want during retirement (in today's dollars)

I know exactly to whom I want to transfer the business

I have involved both key employees and family members in my exit planning

My business constitutes less than 50% of my total retirement plan

I have the legal, tax, financial planning, valuation knowledge or a team of advisors available to assist with my exit plan

Step 1 Total (Max. 35)

Step 2: Determining Value/Price

Score (0-5)

I have had my company value appraised by a certified appraiser

I have had an appraisal reviewed within the last two years

I have a buy/sell agreement

My buy/sell agreement is funded

My buys/sell agreement adequately protects my heirs, my business, and my partners

My buy/sell agreement has been reviewed within the last two years

Step 2 Total (Max. 30)

Step 3: Preserving, Protecting, And Promoting Value

Score (0-5)

I prepare business plans annually

I review my business plans regularly and share them with my key advisors

I have no unpaid claims with the IRS (i.e. payroll taxes) or existing creditors or pending lawsuits

I have key employee incentive plans in place

I track and measure key operational and financial figures that dictate the company's performance

I am consistently implementing focused initiatives to improve my company's financial performance

Step 3 Total (Max. 30)

Step 4: Business Contingency Plan

Score (0-5)

I discuss financial results, marketing plans, financing and operations openly with key employees and family members

I have a strong secondary management team in place

I have personal disability income insurance coverage in place

I have a stay-bonus plan in place

I have business overhead expense coverage in place

My legal matters are in order and my corporate "shield" is being properly maintained and is active with the Texas Secretary of State

Step 4 Total (Max. 30)

Steps 5 & 6: Converting Business Value To Cash, And Selling The Business For A Note

Score (0-5)

I have a strong management team in place

I know how to manage the selling process to maximize the sale of my business

I know how to minimize the income tax consequences to myself and a potential buyer

I know how to structure a deal to optimize my chances of getting the full value out of my business

Steps 5 & 6 Total (Max. 20)

Step 7: Wealth Preservation Plan

Score (0-5)

My will matches my estate wishes

My assets are titled correctly and coordinated with my beneficiary designations

All necessary trusts/strategies have been established and funded

My ancillary documents (Living Will, Financial/Health Power of Attorney) are current

I have effective tax planning strategies in place

Step 7 Total (Max. 25)