



THE EXITMAP QUESTION/ANSWER SET

TIME FRAME MODIFIERS

M1. I would like to step back from day to day management of my business:

- a) In the next year.
- b) In 1-3 years.
- c) In 3-5 years.
- d) In 5 years or more.
- e) I already have.

M2. I would like to walk away from my business completely:

- a) In the next year.
- b) In 1-3 years.
- c) In 3-5 years.
- d) In 5-8 years.
- e) In more than 8 years.

ESSENTIALS

1. My decision making team consists of:

- a) Only me.
- b) Several supervisors.
- c) Managers in key areas.
- d) Independent decision-makers running all areas of the business.
- e) Executives developing all strategies as guided by my vision.

2. My plan for the eventual transfer of my company is:

- a) I'm not really sure.
- b) To close down completely when I am ready to leave.
- c) To transfer ownership to a family member or maybe an employee.
- d) To put it up for sale to a third party.
- e) I already have an agreement with a qualified buyer.

3. I know what the post-tax proceeds of exiting need to be because:

- a) I have a general idea of how much I'll need and am confident it will be enough.
- b) I have calculated my future income from my current assets combined with the proceeds from the sale of my company.
- c) I've calculated my future income needs including lifestyle, life expectancy and inflation assumptions.
- d) I have had a Certified Financial Planner calculate the needs including lifestyle, life expectancy and inflation assumptions.
- e) I have a professional projection of future needs, and have compared them to my business valuation and projected tax liabilities.

4. I know my company's current market value, because:

- a) I have no idea what the value of my business is.
- b) I have a figure in mind that I need to retire and I know it is worth at least that.
- c) I've talked to other people who sold their companies, and know what companies like mine should sell for.
- d) My accountant or financial planner researched comparative sales.
- e) I have a certified valuation of the business.

5. I will handle the taxes on the transfer of my business by:

- a) I haven't looked at the tax implications.
 - b) I plan to just add the tax burden to my target net price.
 - c) I assume I'll just pay capital gains tax.
 - d) I assume I'll just pay ordinary income tax.
 - e) I've had a CPA analyze the tax consequences of a sale.
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6. I think the most likely buyer for my business is:

- a) I don't know.
 - b) Another entrepreneur or a competitor.
 - c) Family members already engaged in the business.
 - d) Employees who currently manage the business.
 - e) A clearly identified strategic buyer.
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7. The diversification of our revenues by customer is:

- a) Not really diversified. 50% or more comes from one customer.
 - b) Somewhat diversified with a few customers that account for most of our business.
 - c) In line with the Pareto Principle. 80% of our business is from 20% of our customers.
 - d) Fairly diversified. No one customer accounts for more than 10% of our business.
 - e) Very diversified. No one customer accounts for more than 5% of our business.
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8. Most of my customers:

- a) Are driven by price and will buy from whomever makes the best deal.
 - b) Appreciate service, but focus on cost.
 - c) Return year after year and increase their spending.
 - d) Are committed to long-term, written purchase contracts.
 - e) Can get what they need only from my company.
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9. My key employees are:

- a) Irreplaceable. They have unique skills vital to our survival.
 - b) Employed at will, under verbal understandings.
 - c) Employed with written agreements and incentives.
 - d) Employed under non-compete and confidentiality agreements.
 - e) Employed with long-term incentives that vest and accrue if the business is successful.
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10. The plan for the business in the event of my death or disability is:

- a) I don't know.
 - b) My employees or family will have to take over.
 - c) To sell it as quickly as possible or shut it down.
 - d) I have a mutual management agreement with a colleague or competitor to take over in my absence.
 - e) We have a plan to bring in experienced interim management with full instructions on a transition.
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11. The documentation of our systems and processes for operations, human resources, and administrative functions are:

- a) Mostly verbal.
 - b) Written, but bear little resemblance to what we actually do.
 - c) Written, but somewhat out-of-date.
 - d) Fully documented, but not always followed on a day-to-day basis.
 - e) Fully documented, updated and required to be followed in all areas.
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12. My typical work week is:

- a) Over 60 hours.
 - b) 55-60 hours.
 - c) 45-55 hours.
 - d) 40-45 hours.
 - e) Less than 40 hours.
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13. Our revenues are:

- a) Declining for three years or more.
 - b) Up-and-down from year-to-year.
 - c) Flat for three years or more.
 - d) Growing slightly over the last three years.
 - e) Growing strongly over the last three years.
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14. Our profit margins are:

- a) Declining for three years or more.
 - b) Up-and-down from year-to-year.
 - c) Flat for three years or more.
 - d) Growing slightly over the last three years.
 - e) Growing strongly over the last three years.
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15. Our financial performance against industry (NAICS or SIC Code) standards are:

- a) I don't know.
 - b) Bottom quartile.
 - c) About average.
 - d) Top quartile.
 - e) Top 10%.
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16. In the event of my sudden absence from the business, my documented contingency plan for operations includes:

- a) We do not have a documented contingency plan.
 - b) A documented list of responsibilities that my managers can handle.
 - c) A documented succession plan for managers with written retention incentives for key staff.
 - d) Documented succession and retention plans, plus instructions for governance and continuation of family income.
 - e) Complete contingency planning, including insurance to retire debt and fund working capital.
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17. Are employee goals and reviews aligned with the company's mission, vision and values?

- a) We do not have formal employee goals or performance reviews.
 - b) We do formal employee reviews and set goals but we don't have a clear company mission or vision.
 - c) We have employee goals and reviews, but they are not necessarily developed around our mission or vision.
 - d) We have employee goals and reviews, developed around our main mission or vision.
 - e) All employee development and incentives are aligned with specific short and long term company objectives.
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18. How dependent is the business credit on your personal guarantees?

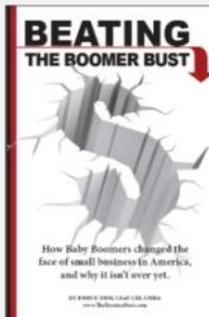
- a) I personally guarantee all business debt.
 - b) I have guarantees on some, but not all business debt.
 - c) I guarantee real property, but do not have personal guarantees on leases or credit lines.
 - d) The business has no debt.
 - e) The business can incur any necessary debt without the need for personal guarantees.
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19. Our Technology Policy is to:

- a) Replace things when they fail.
 - b) Purchase upgrades when support is discontinued by the vendor.
 - c) Upgrade as the need arises, or for clear improvements in productivity.
 - d) Budget and implement upgrades on a planned defined schedule.
 - e) Stay near the leading edge, constantly seeking the next improvement.
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20. After I leave my company, I am planning to:

- a) I don't know.
 - b) Do something or nothing. Just take it day by day.
 - c) Take up a hobby or work for a non-profit.
 - d) Get a job.
 - e) Pursue my life's passion.
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RECOMMENDED READING AND MARKETING RESOURCES:

The [“Beating the Boomer Bust”](#) eBook, is a collection of articles focused on the unique challenges facing the business community due to the large population of retiring Baby Boomer business owners. It is the product of a year of research, and of fifteen years helping business owners prepare to leave their companies. Small business owners in America are ignoring a tidal wave of change that will leave a few small businesses untouched while wiping many others from the face of the planet. (Please select a free download link: [Advisor](#) or [Business Owner](#).)



[“11 Things You Absolutely Need to Know About Selling Your Business”](#) is a practical, plain spoken primer on the process of marketing and selling a “Main Street” business. Owners seeking to transition need guidance before starting the sale process if they want to maximize the financial results. The process can be intimidating and complex. Using a straight forward step-by-step approach, this book provides the blueprint and tools needed to understand what it will take to prepare, market, and sell any business. ([Available on Amazon.com.](#))