Being “Ready” means:

- ☐ You have spent some time and money getting educated on the process of how to transition your business. You have discussed transitioning with your loved ones.

- ☐ Your personal, financial and business goals are aligned meaning they are defined, co-dependent, and linked.

- ☐ You have created a <u>written</u> transition plan which includes goals and objectives, clearly defined tasks and accountabilities, definition of your transition team, a plan leader or quarterback, timelines and a budget. This plan ideally has a multi-year implementation timeline.

- ☐ You have considered and designed a post business life-after plan. This plan is linked or part of your wealth management plan which has been prepared by a professional financial advisor and if applicable, estate planning attorney, insurance specialist, and charitable foundation specialist.

- ☐ You have created a contingency plan which specifies what should happen if before you transition something was to happen outside of your control that would prevent you from operating your business or unwillingly force you to transition. You have reviewed this plan with your trusted advisors including family members and have the appropriate insurance in place to avoid financial ruin.

- ☐ You have created a transition advisory team which includes at minimum: an attorney, CPA tax specialist, wealth or financial advisor, exit advisor, other close trusted advisors (may not be a professional), spouse or other family member who is involved in the business or transition. Other advisors that should be considered: a transaction attorney, estate planning attorney, real estate attorney, business attorney, ESOP specialists, tax specialist, insurance specialist, foundation / charity, key employees, investment banker or broker, board members, family counselor.

- ☐ You have considered of all your exit options and weighed the strengths and weaknesses of each in relation to your stated goals and objectives.

- ☐ You have a completed a strategic analysis, business valuation and personal, financial and business assessment(s) within the last year.

- ☐ You have a pre-transition value enhancement / preliminary due diligence project underway to de-risk the business, maximize its value, minimize taxes upon transition and improve the probability of a smooth transition to the next owner including family member if applicable. Family transition should be treated no differently than other transition options. This plan ideally has a multi-year implementation timeline.

- ☐ If transitioning to a family member, management, or employee group (internally) you have a management program underway to ensure the post transition leadership is prepared to operate the company after you exit and secured the appropriate specialists to handle this type of transition.

- ☐ If transitioning externally to a financial or strategic buyer, you have considered the strengths and weaknesses of selling to each and secured the appropriate specialists to handle this type of transition.