



We help owners of closely held businesses plan for and execute successful exits: achieving financial freedom, creating a sustainable legacy, and exiting on their own terms.

Not been addressed = 0 Needs serious improvement = 1 Needs some improvement = 2 Needs minimal improvement = 3 Fully addressed = 4

EXIT READINESS SCORECARD™

Rate yourself on the scale from 0 to 4

1. I know ideally when I want to exit from my business.
2. Of the four ways to exit from a business (pass to it family, sell to outsiders, sell to my employees, or an orderly liquidation), I have clearly determined which method is ideal for me. (circle the method)
3. I have calculated the total after-tax dollar amount I need from my business to achieve personal financial freedom, which is \$_____, and I am executing against a plan on how to accumulate this amount between now and my exit.
4. I have a written analysis of the tax impact of my exit, and I have implemented the tactics available to address these taxes.
5. I have been taking the surplus cash out of my business each year, in a tax favorable manner, in order to increase my personal net worth outside of the business between now and exit.
6. My liquid assets are invested in a manner that matches my risk tolerance and will help me achieve my post exit income and lifestyle needs.
7. I have a written, up-to-date contingency plan in the event I become disabled or prematurely die, and I have adequate disability and life insurance outside of my business.
8. I have identified and implemented the tactics available to reduce creditor risk against my business and personal assets.
9. I have trusted tax, legal, and business advisors who are qualified to help me with my exit plan, and who meet as a group, not less than annually, to address and advance my exit objectives.
10. My business partner(s) (if applicable) and I are in alignment and we agree on an exit timetable for everybody, the target business value we seek, and all other matters. (Score 4 if N/A.)
11. My close family members are aware of and support my exit plans and objectives.
12. I have a clear vision of what I want to do with my time and talent after exit, and I have no concerns that life after exit will be unfulfilling.
13. The company's leadership/management team can run the business for up to several months without my involvement.
14. Sales and business development, all the way from lead generation to closing the sale, is done largely without my involvement.
15. Financial statements are timely, accurate, and formatted in a manner consistent with industry and business norms, and audited by an independent accountant.



Learn more about the NAVIX program at www.navixconsultants.com.

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- 16. Key business operating metrics are tracked, reviewed, and discussed on a weekly or monthly basis. ■
- 17. The company follows a written business plan, with detailed financial projections, to pursue significant growth over the next several years. The business plan is aligned with my exit plans. ■
- 18. The company is making optimal use of debt and/or equity capital to enhance growth, profitability, and value between now and my planned exit. ■
- 19. Performance measures and compensation plans for top sales, management, and operational personnel are fully aligned with key business objectives. ■
- 20. Top employees have formal financial incentives to stay with the business until at least two years past my exit, and have signed non-solicitation and/or non-compete agreements. ■
- 21. Annual budgets and a written record of performance against these budgets are produced. ■
- 22. Contracts with important customers, suppliers, and other business partners permit assignment to another party, or include similar provisions to minimize risk of disruption upon my exit. ■
- 23. Our largest customer(s) account(s) for _____% of current top line revenue. (Scoring: Less than 10% = 4. 11-20% = 3. 21-30% = 2. 31-40% = 1. Greater than 40% = 0.) ■
- 24. Written procedures exist for the business's important sales, operational, and financial processes, allowing us to readily train and cross-train current and future employees. ■
- 25. Business books and records are current and in order, including stock certificates and/or operating agreements, shareholder buy-sell agreements, and meeting minutes. ■

0-69	70-76	77-84	85-92	93-100	Your Score
Your current exit planning may be entirely unable to achieve your goals.	Some steps have been taken, but significant areas need attention.	Your exit planning may need important improvements.	A limited number of areas may need to be addressed.	Your overall exit planning may be sound.	

The Potential Value of Preparation

Tax Avoidance Example	Sale Price (est.)		Tax Rate Decrease		Improvement
	<input style="width: 100%;" type="text"/>	x	5.0%	=	<input style="width: 100%;" type="text"/>
Multiple Expansion Example	EBITDA @ Exit (est.)				Improvement (pre-tax)
	<input style="width: 100%;" type="text"/>	x	<input style="width: 100%;" type="text"/>	=	<input style="width: 100%;" type="text"/>