ATTEND WEALTH · COMPLIMENTARY GUIDE

# The Owner Exit-Readiness Scorecard

Twenty yes-or-no questions. One point for every honest yes. **Every business exits eventually: sale, succession, or shutting the lights.** Owners who score well get to choose which, and when.

## What the scorecard measures

1

**HOUSEHOLD**

Could your family thrive without a distribution?

2

**THE BUSINESS**

Would it run, and sell, without you in the room?

3

**STRUCTURE & TAX**

Entity, retirement plan, and the exit-tax homework.

4

**PROTECTION**

Key-person coverage and a funded buy-sell.

5

**SUCCESSION**

An exit named out loud, with an estate plan to match.

6

**YOUR SCORE**

Twenty answers, one honest number out of 20.

Score yourself honestly, then start where you lost the most points. **A year of focused work changes your options.**

*Take care of you.*

Twenty yes-or-no questions. Give yourself one point for every honest yes. Every business exits eventually: sale, succession, or shutting the lights. Owners who score well get to choose which, and when.

## You and your household

- [ ] **Could your household run 12 months without a distribution?**
  Personal runway is negotiating power.
- [ ] **Is your retirement funded outside the business?**
  A plan that requires the sale to succeed is a hope, not a plan.
- [ ] **Do you know your personal 'enough' number?**
  The after-tax amount that makes work optional. Everything is negotiable except this.
- [ ] **Is under half your net worth tied up in the company?**
  If not, every business risk is a family risk.
- [ ] **Do you pay yourself a defensible market salary?**
  Clean compensation makes clean books, and clean books make value.

## The business itself

- [ ] **Would the business run 90 days without you?**
  Owner-dependence is the single biggest discount at sale.
- [ ] **Do you have three years of clean financials?**
  Buyers pay for what they can verify.
- [ ] **Is no customer more than 20% of revenue?**
  Concentration is a price cut waiting to happen.
- [ ] **Are your key people under agreements and incentives?**
  Buyers buy teams. So does your succession plan.
- [ ] **Do you know what businesses like yours sell for?**
  A realistic multiple beats a hopeful one, every time.

## Structure and taxes

- [ ] **Is your entity type still the right one?**
  The structure that made sense at $500k may be costing you at $5M.
- [ ] **Do you have a retirement plan sized to owner income?**
  401(k), cash balance, or defined benefit: sheltering income is exit-funding.
- [ ] **Have you asked about QSBS or sale-tax planning?**
  Some of the biggest exit-tax breaks require planning years ahead.
- [ ] **Is business tax work coordinated with personal?**
  Two disconnected CPAs is how owners overpay.
- [ ] **Would a sale today create an avoidable tax bill?**
  If you don't know, the answer is probably yes.

## Protection and succession

- [ ] **Is there key-person coverage on you and critical people?**
  The bank and the buyer will both ask.
- [ ] **Is a buy-sell agreement signed and funded?**
  Unfunded agreements are just expensive paper.
- [ ] **Does someone know how to run things if you can't?**
  A one-page emergency operating plan is a gift to your family.
- [ ] **Is your estate plan current with the business in it?**
  Ownership passing badly can force a sale at the worst time.
- [ ] **Have you named your ideal exit, out loud?**
  Sale, family succession, or steady income forever. The plans differ; pick one to build toward.

### Your score

**16–20:** Exit-ready. Your job now is optimizing the number and the timing.
**10–15:** Solid base, real gaps. A year of focused work changes your options.
**Under 10:** You are not alone; most owners start here. Start with the household questions first.

### Your next step

A checklist tells you what to do. A conversation tells you what to do first, in your situation. Bring this guide, ask anything, and get straight answers. No pressure, no pitch.

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