

# BUSINESS SUCCESSION CHECKUP



The questions below are some of the things to think about in terms of business succession.

## Succession Concerns

1. Have you discussed the succession of your business with the other owners?

Are you on the same page? ☐ Yes ☐ No

2. If you weren't around, what would happen to your business? Could it continue to be successful?

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3. Have you considered the following events that may require a buyout of the business?

Death?      Disability?      Retirement?      Divorce?      Personal Bankruptcy?  
Employment Termination?      Third Party Buyout Offer?

4. If any of the events above happened to you or another owner:

a. Who would control your share of the business? \_\_\_\_\_

b. What is your family's relationship with this person? \_\_\_\_\_

c. Who would perform your day-to-day responsibilities in the business? \_\_\_\_\_

d. How many years would your family be supported with non-business assets to maintain their current lifestyle? \_\_\_\_\_

e. How would you feel about being in business with the spouse or a child of one of your current business partners? \_\_\_\_\_

## Buyout Concerns

1. Is there an existing buy/sell agreement? ☐ Yes ☐ No

(If Yes, Skip to 2 below)

a. Would the active owners get the first right to buy out a retired, disabled, or deceased owner? ☐ Yes ☐ No

b. How would you ensure a fair sales price for your business? \_\_\_\_\_

c. What would the funding source of a buyout? \_\_\_\_\_

d. Are all business owners willing and able to fund buyout solutions (i.e. payments to ex-owners, life insurance premiums)? ☐ Yes ☐ No

2. If an existing buy/sell agreement is in place:

a. When was it last updated? \_\_\_\_\_

b. When was the business formally valued? \_\_\_\_\_

c. Is the current buy/sell agreement fair for all parties? ☐ Yes ☐ No

d. If funded by life insurance, when was the most recent policy review? \_\_\_\_\_

## Next Steps:

1. What are your top concerns regarding business succession? \_\_\_\_\_

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2. How would you feel about using life insurance to fund or improve the buy/sell agreement? \_\_\_\_\_

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