

Pathway to Success

How to Value Your Business: A Critical 5-Minute Assessment

**Understanding the Value
of
Your Business**

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Understanding the Value of Your Business

Do you have an exit strategy for your business? Every business at some point will need an exit strategy, whether that is transferring to family members or selling the business. Planning is important to overcome the obstacles of any exit strategy. There are “fatal business errors”, which impact daily cash flows and profits, that will limit the business from maximizing its potential and its long-term value.

Up to 90% of a business owner’s net worth is tied up in their business. However, only 25% of small businesses ever transfer or sell, which means 75% of businesses never do. The #1 reason is because they do not plan.

Answer the following questions to see if you have positioned your business correctly so you can generate the most value or need to put a plan in place to maximize the value of the business.

1. Do I have an exit strategy?

Yes No Not Sure

Notes: _____

2. Do I know what I will do for income when I retire?

Yes No Not Sure

Notes: _____

3. Do I know how many \$\$ I will need when I retire?

Yes No Not Sure

Notes: _____

4. Is the company’s financial performance above industry average?

Yes No Not Sure

Notes: _____

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5. Are the business's operational processes and protocols documented?

Yes No Not Sure

Notes: _____

6. Are the record keeping and the accounting procedures up to date?

Yes No Not Sure

Notes: _____

7. Do the cash flows sufficiently support the business's operation?

Yes No Not Sure

Notes: _____

8. Is the current management team capable of growing the company?

Yes No Not Sure

Notes: _____

9. Can the company run without you day to day?

Yes No Not Sure

Notes: _____

10. Is the customer base diversified across industries?

Yes No Not Sure

Notes: _____

11. Is each individual customer less than 10% to 15% of revenues?

Yes No Not Sure

Notes: _____

Totals : # Yes _____ # No _____ # Not Sure _____

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- If you answered NO or UNSURE to any of the questions, you need to take time to improve the operations to maximize the value of your business. The greater number of no and unsure answers; the more time you will need to plan, so you can effectively implement an exit strategy and generate value.
- If you answered YES, confidently, to all the questions, congratulations you have successfully planned your exit strategy and may be ready to address transferring or selling your business.

CEO CoSULTING can help you address the financial, strategic planning and operation challenges your business may have to maximize its financial value. We will help your businesses develop and implement financial benchmarks and strategic initiatives, so you can increase your profits. We will collaborate with you to gather and organize information, to identify and resolve any outstanding issues, which are keeping you from reaching its full potential.

CEO CoSULTING provides you with the [CoSULTING Business & Industry Analysis](#), which is a financial analysis report that provides your business financial benchmarks for your industry. It will help you make decisions to increase profits and maximize your company's value.

[Click here to contact us](#) so together we can release the full potential of your business.