



DO YOU TREAT YOUR BUSINESS AS AN INVESTMENT?

1. How much is your company worth? Has it been appraised in the last three years?
2. What has been your shareholder's rate of return on their investment over the last one, two, three, four, or five years or more? How does this rate of return performance compare with other alternative investments?
3. What portion of your net worth is tied up in your business ownership interest?
4. Is your wealth adequately diversified to avoid the risk of major loss from adverse events with any of your assets, including your business?
5. Does your business make distributions in excess of those necessary to pay taxes? If not, is the return on your reinvestment of earnings into fixed assets or working capital sufficient to warrant the investments?
6. Are you reinvesting distributions in assets in a plan to diversify your wealth? If not, why not?
7. What is the plan to obtain liquidity from your ownership of your business? And for your other shareholders, if any, to obtain liquidity from their investments? Is this plan realistic? Is it documented? And is it workable in the event something adverse happens to you or to another key owner/manager?
8. Is your business "ready for sale?" In other words, not that you want to sell it today, but should you make that decision, is the business positioned to be attractive to a range of prospective purchasers?
9. Are there things you know that need to be done and that take time to begin to get the business in a position to be "ready for sale?"
10. What is the plan to transfer ownership and/or management to other members of your family? Is this plan realistic? Is it documented?

Bonus Question: *How can anyone answer the first ten questions or get others to help answer them?*

Bonus Answer: *The One percent Solution*