



KEEP OR SELL TEST

Knowing when to act and when not to act is a key component in all important decisions. Likewise, knowing when to keep your business and when to sell it can make a significant difference in the success of your exit and your future financial security. Take the following test and review your answers with a Certified Exit Planning Advisor to ensure that your timing is perfect!

1 - Have you had your company valued by an independent, knowledgeable party?

Yes (1) No (2)

2 - Have you and your financial advisor determined how much money you would need to invest to support your current life style if you retired?

Yes (1) No (2)

3 - Are you able to take a vacation and not call the office for a week or more at a time?

Yes (1) No (2)

4 - What is the primary source of new business for your company (please select only one)?

- A. Your efforts and relationships (5)
- B. Referrals and word of mouth (5)
- C. Advertising and/or direct mail (2)
- D. Your marketing and sales team (1)
- E. eCommerce activities (2)



5 - What has been the trend for your revenues and profits over the last five years?

- A. Increasing (1)
- B. Decreasing (5)
- C. Flat (3)

6 - Do you have a specific plan regarding what you would like to do after you sold your business (playing more golf doesn't count)?

Yes (1) No (3)

7 - Do your top 5 customers account for more than 30% of your revenues?

Yes (6) No (1)

8 - Have you identified which exit option is the most appropriate for you?

Yes (1) No (2)

9 - Do you know how much you would net from the sale of your business (after taxes and transaction fees)

Yes (1) No (2)

10 - Do you have job descriptions for each of your key employees?

Yes (1) No (2)

11 - Have you documented your office, service, manufacturing, and marketing processes?

Yes (1) No (2)



12 - How is your health?

Excellent (3)

Typical Aches and Pains (2)

Some Major Issues (1)

13 - How is your energy level?

I'm still passionate (3)

I feel like a caretaker (1)

I'm burned out (1)

14 - Have you set a date for when you would like to retire?

Yes (1)

No (2)

15 - What is the outlook for your industry?

Growing (1)

Shrinking (3)

Mature (2)



Instructions to CEPA

Grade this test by adding up the scores assigned to each of the business owner's answers. The scores are in smaller font to the right of each answer. Generally speaking, the lower the score, the more likely it is that a business owner should sell. The higher the score, the more likely it is that the owner should keep the business, do some formal exit planning, and sell the business at a later time.

Obviously, your final recommendation will depend on a number of factors (and the weighting of those factors) that can not be measured by a simple test. This tool should only be used as a diagnostic tool to highlight issues and facilitate a formal exit planning assessment.

SCORE: _____