



EXIT READINESS QUESTIONNAIRE

**44 Questions to Help You Determine if
Your Business is Exit Ready**

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Directions: Choose an answer and place an "X" in the box that best represents your current situation. 1 = No/Poor and 6 = Yes/Great (Ex. Do you have a written marketing plan? If you have a plan, but it's below average, you may choose box 2 or 3. If you have a written plan, but it isn't quite best-in-class, you may choose box 4 or 5.) Total up your answers for each column. (Ex. 3 "X's in column 5 = 15)

			Scoring					
			1	2	3	4	5	6
1	Do you have a written mission statement that drives your business and employees?							
2	Do you have a clearly defined value proposition?							
3	Do you maintain a list of goals and objectives for your business, including long-term and short-term? 20 yrs, 10 yrs, 5 yrs, 1 yr, Quarterly, Monthly, Weekly							
4	Are you using a system/framework to measure progress and execute steps towards your goals?							
5	Are your products/services unique within your industry? In other words, are they attractive to buyers?							
6	Do you consistently gather feedback and improve your products/services?							
7	Do you have a diversified customer base? No more than 15% of revenue comes from any one customer.							
8	Do your customers have a strong reliance on your business that cannot be easily replaced?							
9	Do you have a well defined sales cycle and strategy for client acquisition?							
10	Do you have a written marketing plan?							
11	Do you have a financial management system to track key financial metrics (KPIs)?							



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12	Do you have 2-3 years of prior tax returns or audited financial statements readily available?							
13	Do you have your sales documented by product? By customer? To see what is selling and who is purchasing.							
14	Do you have a full list of expense contracts? (Leases, insurance, cost of goods, and other obligations)							
15	Do you have a Customer Relationship Management (CRM) system?							
16	Are you able to quickly produce reports based on activities, employees, sales, customers, etc.?							
17	Do you have an up-to-date Employee Manual or Compliance Manual?							
18	Do you have clear policies and procedures for day-to-day operations and activities such as hiring, training, and firing?							
19	Does your business run exceptionally well without you?							
20	Does your business have an organizational chart that details management and employee roles and responsibilities?							
21	Does your business have a business contingency plan (for emergencies or business disruptions)?							
22	Does your business have insurance on key people to protect against disability, death, and other unforeseen events?							



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			Scoring					
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23	Are copies of contracts with all customers, suppliers, vendors, and lenders readily available?							
24	Are agreements in place with other owners detailing ownership rights, duties, and obligations?							
25	Are all systems and databases organized and able to provide clean data?							
26	Are systems and databases protected against outside threats?							
27	Do you have documentation readily available for all web domains, copyrights, trademarks, patents, etc. along with any expiry dates?							
28	Do you have confidentiality agreements in place with employees, suppliers, etc. preventing disclosure of any institutional knowledge about your business?							
29	Is your business name separate from the owner's name? This may impact sales price.							
30	Is the current condition of your fixed assets and/or machinery in excellent condition?							
31	Is your business's physical premise leased or owned by the business? (Owned = 1, Leased = 6)							
32	Is your business's physical premise strategically located?							
33	Does your business have a plan to monitor and report on its environmental impact?							



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		1	2	3	4	5	6
34	Is your business insulated (not easily affected) from environmental regulations?						
35	Is your industry currently growing or expanding?						
36	Do you have a system in place to monitor industry trends?						
37	Do you have a list of your top competitors and their value propositions?						
38	Are the barriers to entry into your industry high?						
39	Can you easily switch between suppliers/outside software providers?						
40	Do you maintain a list of your suppliers/outside software providers as well as alternatives?						
41	Have you explored entering new markets (outside your country)?						
42	Have you taken steps to protect your intellectual property rights internationally?						
43	Have you identified the primary value drivers of your business?						
44	Have you identified any risks or challenges that may impact your exit?						

BONUS!

Directions: Choose an answer and place an "X" in the box that best represents your current situation. 1 = No/Poor and 6 = Yes/Great (Ex. Do you have a written marketing plan? If you have a plan, but it's below average, you may choose box 2 or 3. If you have a written plan, but it isn't quite best-in-class, you may choose box 4 or 5.) Total up your answers for each column. (Ex. 3 "X's in column 5 = 15)

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45	Have you developed a clear and actionable exit plan that identifies your preferred exit strategy, timeline, and expected valuation?							
46	Have you identified potential successors for key leadership positions in your business?							
47	Have you taken steps to transfer knowledge and expertise to your successors?							
48	Have you communicated your exit plan to key stakeholders such as family members, partners, or employees?							
49	Have you established an advisory board to help you through the transition?							
50	Have you engaged an exit planning advisor or financial advisor to discover how your business affects your personal finances?							

SCORECARD

Directions: Copy your answers from each of the previous pages into the matching row and column. Total up all of your answers for each column. Then, add each column total and divide by 264.

		Scoring
	TOTAL FROM QUESTIONS 1-11	
	TOTAL FROM QUESTIONS 12-22	
	TOTAL FROM QUESTIONS 23-33	
	TOTAL FROM QUESTIONS 34-44	
	TOTAL FROM BONUS QUESTIONS (45-50)	
	GRAND TOTAL	/300
	EXIT READY = 67%+	Your Score:
		Highest Value: 72%+ Mid Value: 51% - 71% Discounted: 50% or Less

So, how did you score? Is your business exit ready? If it is, excellent work! Congratulate yourself on a job well done. The next step is to determine whether the value of your business will meet your needs after you exit.

If you didn't score as high as you'd like, what areas have you identified that you need to improve in? Are there



any areas that need immediate attention? Now that you've completed this questionnaire, use it as your guide on your path to exit readiness. Look for the areas that you can improve on quickly without a lot of effort or costs. It's important to give yourself a quick win and a boost of confidence!

If you've calculated your score, but you still aren't sure where to start, give us a call and schedule a [free strategy session](#) to discuss your results. Every business has its own unique set of challenges and there's no definitive answer for where to start. We can help you get started as well as connect you with a team of qualified professionals to assist you.

Remember, this questionnaire is not a guarantee that your business is exit ready nor is it a definitive determination that your business could not be sold in its current state. It can certainly be used as an indicator of whether your business is on track to exit successfully or not. If you are slightly above or below the "exit ready" threshold, you should seek additional guidance before moving forward with your exit. The success of your exit can be affected by many factors including, but not limited to: the buyers in the market, the objective of the buyer, the market's appetite for risk, the amount of capital available to invest, and interest rates.

Don't wait to start preparing your business for an exit. Start today! After all, having an exit strategy doesn't mean you're exiting today, it means you're building a business you can exit from when you're ready.

[Book your free strategy call today!](#)

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