

Personal Readiness Score (A):

(score on a scale of 1-6)

Factors	Rating	Considerations
Written personal plan		Interests outside of the business. Personal goals and objectives defined and written. Integrated Personal and Financial plans
Personal financial plan		State of the owners Personal Financial Plan
Personal estate and tax plan		Level of estate and tax planning completed
Knowledge of net proceeds		Understanding of net proceeds of each exit option
Defined post business income needs		Level of awareness/planning of spending/income requirements
Dependency on income from business		Level of dependency on the business for income
Knowledge of transition process		How well do owner(s) understand transition process
Established advisory team		Degree to which the transition team is defined and engaged
Established/defined contingency plans		Personal contingency plan, buy-sell and appropriate insurance
Knowledge of ideal deal structure		Knowledge of pros and cons of exit options and deal structures
Family awareness of the plan/business		Level of family discussions, meetings

Instructions:

Step 1. Rate each category from 1-6, based on the below key:

1. No consideration
2. Thought about it
3. Some completed, but Below Average
4. Above Average
5. Best-in-Class
6. Perfect, no further work needed

Step 2. Add all ratings together and put your total in the TOTAL RATING section.

Step 3. Divide your TOTAL RATING by the MAXIMUM RATING of 132. The result will be your percentage READINESS SCORE.

Example:

TOTAL RATING = 33

MAXIMUM RATING = 66

$33 / 66 = .50$

READINESS SCORE: 50%

Category	OWNER A	OWNER B
TOTAL RATING		
MAXIMUM RATING	66	66
Personal Readiness Score (Your Total / 66 = %)		

	Poor or Non-Existent	Needs Improvement	Slightly Below Average	Slightly Above Average	Best-in-Class	Industry Leader "The Standard"
Common Sense Rating	1	2	3	4	5	6
Range of Value Score	0 – 17%	18 – 33%	34 – 50%	51 – 67%	68 – 83%	84 – 100%

