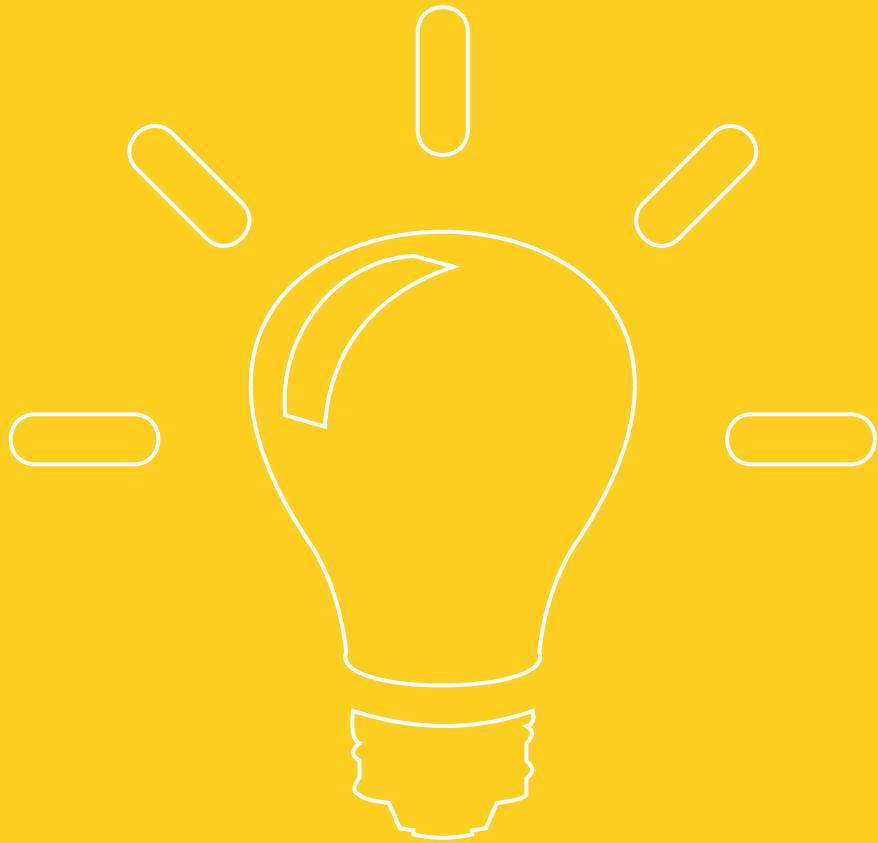


# BUSINESS SURVIVAL QUIZ



## TAKE THIS SHORT QUIZ

Make a copy for each of your business co-owners.

Try to answer honestly (remember, you are in this together) then compare your answers. You may be surprised at the results!

## WHEN YOU DIE...

1. *Would your spouse and/or family want to:*

- Take an active part in the business? That is, assume your role in the business along with its associated duties, tasks and financial responsibilities.*
- Become a silent co-owner in the business? That is, receive any forthcoming profits as well as be responsible for any future indebtedness the business may incur.*
- Want nothing to do with the business and in return receive full value for your share of the business.*

2. *Can your current co-owners guarantee fair and equitable treatment of your spouse and/or family, regardless of which of the above options they choose?*

- Yes    No    Unsure

# BUSINESS SURVIVAL QUIZ

## WHEN YOU DIE CONT...

3. Do you believe your business would have to be dissolved and sold at a current and perhaps unfavourable market price?

Yes  No  Unsure

4. Do you want your family's future financial security to depend solely on the continued success of your business?

Yes  No  Unsure

## WHEN ONE OF YOUR CO-OWNERS DIES...

1. Would you want to work with the inheriting relatives of your co-owner?

Yes  No  Unsure

2. If you decided/were required to buy out your co-owner's share, which financial resource would you use?

current or future profits  sell business assets

sell personal assets  a bank loan

3. Considering your co-owner's family needs, how quickly do you think they would demand a settlement?

3 months  6 months

1 year  2 or more years

4. Would a co-owner's death seriously jeopardise the services or products you currently offer?

Yes  No  Unsure

5. Would your bank and other creditors become nervous, wary and suspect of the future performance of the business?

Yes  No  Unsure

## ASSET PROTECTION

1. If your business suddenly becomes financially distressed, have you protected previous years' retained earnings or are they at risk?  Yes  No  Unsure

2. Have you signed any personal guarantees for the business? If these are called upon will your family home be safe?  Yes  No  Unsure

## CLEARY HOARE SUCCESSION PLANNING SOLUTION

This quiz is designed to explore the private feelings and opinions not often expressed between business co-owners. In the event of death, serious illness or financial hardship during the operation of your business, these issues will arise. The answer to overcome these challenges is a Business Succession Plan.

A Business Succession Plan allows both co-owners and survivors to reach a harmonious and hassle-free agreement on business value and business ownership, while ensuring your private assets are not at risk if the business is under stress. If there is no succession plan, or an inadequate one, then a dispute over these issues will be costly or, at worst, result in total loss of the business and its value.

### REMEMBER THE KEY INGREDIENTS OF YOUR PLAN

1. Trigger events – when can I leave and when must I leave my business?
2. Value – what is my business worth? – is the value the same for each trigger event?
3. Payment – how do I get paid? – is insurance relevant?
4. Dispute resolution – stay out of Court if possible.
5. Separating No Risk Assets from Risk Assets.

A Cleary Hoare Business Succession Plan is individually designed and tailored to meet your specific needs. It delivers security and peace of mind while also accommodating for future changes to the business.

For further information on how to plan for Business Succession:

**Brisbane (07) 3230 5222**

**Sydney (02) 9262 5000**

**Regionally 1300 363 401**

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