

NAVIX® CO-OWNER ALIGNMENT ASSESSMENT

DO THE BUSINESS'S OWNERS SHARE COMPATIBLE DESIRED OUTCOMES IN THEIR EXIT PLANS?

CEO/Owner: _____ Business: _____ Date: _____

Planning for and achieving a successful business exit can be difficult. If you share ownership in your business, achieving a successful exit can be even harder. It is easy and common for different owners to have exit goals which are incompatible with each other. Two or more owners with different ages, different income needs, different work habits, different family situations, and different legacy desires will almost inevitably have different exit needs and plans. In the best case scenario, this causes friction and stress. In the worst case scenarios, lack of co-owner alignment outright blocks everybody's ability to achieve a happy exit.

The following assessment looks at 33 different areas of potential owner alignment, or misalignment. Answer each statement as fully and honestly as possible.

Areas of Alignment		True	Partially True	Not True	Unsure	N/A
1	All the owners openly share with each other their individual exit goals and desired outcomes.					
2	All the owners openly share with each other any exit fears and concerns that they may have.					
3	None of my co-owner(s) have desired exit outcomes that are likely to interfere with my own desired exit outcomes.					
4	My desired exit outcomes are not likely to interfere with the desired exit outcomes of any of my co-owner(s).					
5	All the owners are in agreement on what the business may be worth in the open market, and/or how to determine the business value at any point in time.					
6	The owners have a clearly stated and shared vision of the business legacy we want to create.					
7	All of the owners fully support the strategic direction of the business.					
8	The business follows a written, current, credible plan for achieving sustained growth; I fully support the plan's provisions.					

Areas of Alignment		True	Partially True	Not True	Unsure	N/A
9	The business's leadership/management team is capable of and properly set up to deliver sustained growth.					
10	All of the owners are in agreement on who may be the future leaders within the business.					
11	We have a clear, transparent, consistent method to determine what percent of profits are reinvested back into the business versus distributed out to the owners.					
12	The owners meet on a scheduled basis specifically to discuss ownership-related issues.					
13	Ownership-related discussions are conducted openly and effectively.					
14	Ownership-related decisions are documented and archived in an accessible manner.					
15	Business risks (such as personal guarantees) and debts are equitably borne by the owners.					
16	Benefits and perks are equitably shared by the owners.					
17	We have a clear, written process in place to govern occasions when owners desire to reduce or increase their ownership percentages.					
18	We have a signed legal agreement that covers all reasonable situations under which an owner might completely exit, such as an owner's death, disability, separation of employment, etc.; I am comfortable with the agreement's provisions.					
19	All of the owners are in agreement on the conditions under which we would expand ownership, such as to non-owner key employees.					
20	We have a clear, shared understanding of the conditions under which we would sell the entire business.					
21	Decision-making authority on exit events is clearly delineated; I am comfortable with our arrangement.					
22	None of the owners is known to have anything in his or her personal life that could significantly jeopardize or encumber the business in the foreseeable future.					
23	Owner(s) working in the business receive compensation in line with market rates for their specific role and responsibilities.					
24	Owner(s) working in the business have written job descriptions which include clear, current performance benchmarks.					

Areas of Alignment		True	Partially True	Not True	Unsure	N/A
25	Owner(s) working in the business are consistently performing their job(s) at a high level.					
26	Owner(s) working in the business have good working relationships with their co-workers.					
27	Owner(s) not working in the business receive timely, accurate, and relevant information on the business's performance.					
28	Owner(s) not working in the business have a clear channel to provide constructive input to the business's leadership.					
29	Owner(s) not working in the business are not acting in a manner that limits the business's ability to grow.					
30	All of the owners appear to respect one another personally.					
31	All of the owners appear to respect one another's contribution to the business.					
32	I believe that in general the business's owners are in good alignment with one another.					
33	I do not know of any new issue(s) on the horizon that could undermine alignment among the owners.					

Areas that you evaluated as either "Partially True" or "Not True" could undermine or block your successful exit. If you and your co-owners are not on the same page on the business and your future exit plans, take positive action today to create alignment. Whether your desired exit is around the corner, or years from now, proper planning begins now in order to one day exit happily.

NAVIX® helps owners of closely held businesses plan for and execute successful exits: achieving financial freedom, creating a sustainable legacy, and exiting on their own terms. To review your exit goals and objectives with someone from the NAVIX team, or to learn about the NAVIX program, please visit www.navixconsultants.com.