

Business fact finder

This fact-finding form is designed to assist you in uncovering your needs as a business owner. Once you've completed this assessment, please review it with your advisor, who can best determine the strategy to help you reach your goals.

Business information

Business name _____ Primary contact _____

Industry _____

Phone _____ Email _____

Address _____ City _____ State _____ ZIP _____

Number of years in business _____ Website _____

Total number of employees _____ Part time employees _____ Number of key employees _____

Business organization

- | | |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> Sole proprietorship | <input type="checkbox"/> Subchapter S-corporation |
| <input type="checkbox"/> General partnership | <input type="checkbox"/> Professional service association or corporation |
| <input type="checkbox"/> Limited liability company | <input type="checkbox"/> Nonprofit |
| <input type="checkbox"/> Subchapter C-corporation, subject to corporate income tax at a marginal tax rate of _____ % | |

Any changes in form of business? Yes No

(for example: sole proprietor to corporation, partnership to corporation, S-corp to C-corp.)

If yes, please explain: _____

End of current fiscal year ___/___/___ Cash Accrual basis

Professional advisors

Accountant Name _____

Address _____

Phone _____ Email _____

Attorney Name _____

Address _____

Phone _____ Email _____

Owners/Key employees

Names	Age/DOB	Ownership%	Personal tax bracket	Total annual compensation	% of debt attributable	% of profits attributable
_____	_____	_____	_____%	\$ _____	_____%	_____%
_____	_____	_____	_____%	\$ _____	_____%	_____%
_____	_____	_____	_____%	\$ _____	_____%	_____%
_____	_____	_____	_____%	\$ _____	_____%	_____%
_____	_____	_____	_____%	\$ _____	_____%	_____%

Are any of the owners related? Yes No

If yes, name(s) and relationship(s) _____

As a business owner, I'm concerned about:

Business protection	Yes	No
Leaving business debts that my family has to pay	<input type="checkbox"/>	<input type="checkbox"/>
Revenue loss in the event a key person unexpectedly passes away	<input type="checkbox"/>	<input type="checkbox"/>
Having capital to recruit and train a replacement	<input type="checkbox"/>	<input type="checkbox"/>
Significant impact on customer relations should a key person or owner unexpectedly pass away	<input type="checkbox"/>	<input type="checkbox"/>
Employees' perception of the financial stability of the company should a key person unexpectedly pass away	<input type="checkbox"/>	<input type="checkbox"/>
Recruiting, rewarding, and retaining top talent	Yes	No
Attracting new talent	<input type="checkbox"/>	<input type="checkbox"/>
Providing benefits with tax-deductible dollars	<input type="checkbox"/>	<input type="checkbox"/>
Losing key talent to competitors	<input type="checkbox"/>	<input type="checkbox"/>
Providing attractive retirement benefits for key employees to encourage them to remain with the business until retirement	<input type="checkbox"/>	<input type="checkbox"/>
Utilizing strategies that have minimal impact on my balance sheet	<input type="checkbox"/>	<input type="checkbox"/>
Planning for business succession	Yes	No
Being able to efficiently transfer my business interest	<input type="checkbox"/>	<input type="checkbox"/>
Protecting my family's income in the event of my death	<input type="checkbox"/>	<input type="checkbox"/>
Receiving a fair price for my business interest	<input type="checkbox"/>	<input type="checkbox"/>
Assuring business continuity	<input type="checkbox"/>	<input type="checkbox"/>
Equitable distribution of assets to my children who aren't involved in the business	<input type="checkbox"/>	<input type="checkbox"/>

Protecting against the loss of an owner or key employee

Why it's important

Businesses can experience a significant financial impact from the loss of an owner, partner, top executive or an essential employee with unique talents, experience or skills crucial to the prosperity of the business. It's important to be prepared to cover lost profits, fund recruitment and training efforts, and provide cash to pay debt or other expenses.

Outstanding long-term business debt \$ _____ Debt currently insured \$ _____

Average net income (profit/loss) of the business for a minimum of the last two years \$ _____

Common key person valuation methods

Multiple of salary valuation method

This approach assumes the value provided by the key person is associated with their total compensation. In addition to their annual salary, this amount may include annual bonuses and other compensation, such as stock options and profit sharing. The multiplier used is typically between 5 and 10 times their compensation. Adjustments are generally based on the key person's age and role in the business. Debt coverage is also included where applicable for business owners and key persons responsible for debt obligations.

Percentage of profits valuation method

This approach assumes that a key person's contribution to business profit would be lost during any period they are not working. The profits attributable are determined by multiplying the average profits by the percentage of those profits attributable to the key employee. These values are based on user input. This approach also includes the costs associated with replacing their skills and experience. These costs may include finder fees, relocation, sign-on bonuses, and training costs. Debt coverage is also included where applicable for business owners and key persons responsible for debt obligations.

Retaining, rewarding, and recruiting top talent

Why it's important

In a tightening job market, it's more difficult for businesses to attract and retain the top talent businesses rely on for success. A combination of compensation and benefits, including qualified and nonqualified plans, can address this need.

Benefits information

	Offered now?	Details
Group insurance (life, health, dental, disability)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Qualified pension/profit sharing/IRA/SEP	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Deferred compensation	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Split-dollar plan	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Executive bonus	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Supplemental disability income insurance	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Long-term care insurance	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Describe any existing corporate-owned life insurance (COLI) and the reason for coverage.

How important is each of the following considerations?

	Not important	Important	Very important
Create a fringe benefit for the owner(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide executives with incentives to stay with the business (golden handcuffs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Allow executives to defer compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Create an asset owned and controlled by the business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recover the cost of providing the benefit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide life insurance coverage until retirement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide life insurance coverage beyond retirement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Which of these factors is more important?

Employee deferral of taxes or Current deductions for benefits paid by the employer

Planning for business succession

Why it's important

Often overlooked, succession planning is one of the most critical aspects of business planning especially for family-owned businesses. It can help ensure an orderly transition upon the death, disability, retirement or withdrawal of any of the business owners, partners or shareholders.

What will happen to the business upon the owner's:

Disability? _____

Retirement? _____

Death? _____

Is there a business appraisal? Yes No

Is there a buy-sell agreement? Yes No

If yes, what type? Unilateral one-way purchase Cross purchase Entity redemption Wait-and-see option

How is the buy-sell plan funded? _____

When was it executed? ___/___/___

When was it last reviewed by owners and/or advisors? ___/___/___

Business valuation

Book value information:

Assets \$ _____ Asset adjustments: \$ _____

Liabilities \$ _____ Liability adjustments \$ _____

Income information:

Calendar year: _____

Taxable income: _____

Interest expense: _____

Depreciation: _____

Amortization: _____

Valuation method information: (Typical long-term growth ranges from 2.5%–3.0%)

Earnings are: Stable Variable Volatile

Rate of return on assets: _____

Projected growth rate of earnings: _____ (Year-over-year growth on earnings)

Number of years to apply growth rate on earnings: _____ (10 years is typical for a mature business)

Long-term growth rate: _____ (Typical long-term growth ranges from 2.5%–3.0%)

Number of years to include goodwill: _____

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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