

# Risk Barometer

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**DIRECTIONS:** For every “no” or “I don’t know” answer, enter the assigned number to the left of each question.

**Mistake #1:** “I know what my business is worth.”

- 4 • Have you ever had the business value appraised by an outside resource? \_\_\_\_\_
- 3 • Has the appraisal been reviewed within the last three years? \_\_\_\_\_
- 5 • Do you have a formal Buy/Sell (or Operating) Agreement? \_\_\_\_\_
- 5 • Is your Buy/Sell funded? \_\_\_\_\_
- 4 • Does your Buy/Sell Agreement adequately protect your heirs, employees and partners? \_\_\_\_\_
- 4 • Has your Buy/Sell Agreement been reviewed within the last three years? \_\_\_\_\_
- 3 • Do you know where your Buy/Sell Agreement is kept? \_\_\_\_\_

**SCORE #1** \_\_\_\_\_

**Mistake #4:** “The employees really enjoy their job.”

- 5 • Does your company currently have a long-term incentive plan in writing for key employees? \_\_\_\_\_
- 3 • Is your current benefit plan designed to reduce turnover? \_\_\_\_\_
- 4 • Have you done everything possible to ensure that compensation and/or benefits are not a reason an employee would leave? \_\_\_\_\_
- 4 • Have you reviewed the company’s benefit plan in the last 12 months? \_\_\_\_\_
- 4 • Would your employees say they are properly incentivized to turn down any job offer another company might give them? \_\_\_\_\_

**SCORE #4** \_\_\_\_\_

**Mistake #2:** “I’m too busy running the company.”

- 5 • Do you have a Will and Living Will, and are they up to date? \_\_\_\_\_
- 4 • Will your Estate Plan address potential new government regulations? \_\_\_\_\_
- 4 • Do you have a plan to retain key employees if something happens to you? \_\_\_\_\_
- 3 • Have you had your Trust and Estate Plan reviewed in the last three years? \_\_\_\_\_
- 4 • Are your assets protected from potential litigation? \_\_\_\_\_
- 5 • Have you selected and documented your trusted advisors? \_\_\_\_\_

**SCORE #2** \_\_\_\_\_

**Mistake #5:** “My business is my retirement.”

- 5 • Do you have investments other than your business? \_\_\_\_\_
- 4 • Is your business income vulnerable to supply chain interruptions? \_\_\_\_\_
- 3 • Have you created income from multiple sources outside your business? \_\_\_\_\_
- 4 • Do any of your retirement assets have guaranteed minimum returns? \_\_\_\_\_
- 4 • Have you had your retirement income analyzed to identify shortfalls? \_\_\_\_\_
- 5 • In the past year, have you spent more than one hour planning for retirement? \_\_\_\_\_

**SCORE #5** \_\_\_\_\_

**Mistake #3:** “That’ll never happen to me.”

- 3 • Do you have a formal succession plan prepared and on file? \_\_\_\_\_
- 5 • Does your succession plan have a provision for disability? \_\_\_\_\_
- 4 • Were key employees and family involved in your succession planning? \_\_\_\_\_
- 4 • Have you documented your accounts, user names and passwords? \_\_\_\_\_
- 4 • Have you selected, documented and spoken with your successor? \_\_\_\_\_
- 4 • Do family members and employees know who you chose as successor? \_\_\_\_\_
- 5 • Is there a disability provision in your Buy/Sell or overhead expense coverage? \_\_\_\_\_
- 3 • Do you have contribution protection for your retirement account if you become disabled? \_\_\_\_\_

**SCORE #3** \_\_\_\_\_

**Mistake #6:** “Everyone has to pay tax.”

- 5 • Have you determined and formalized your financial goals? \_\_\_\_\_
- 4 • Are you proactively planning to deal with potential changes in tax laws? \_\_\_\_\_
- 3 • Do you have a financial advisor(s) working with you? \_\_\_\_\_
- 3 • Will any sources of your retirement income be received tax free? \_\_\_\_\_
- 5 • Do you have a formal, documented Exit Plan or Succession Plan? \_\_\_\_\_

**SCORE #6** \_\_\_\_\_



**RISK BAROMETER SCORE TOTAL >>** \_\_\_\_\_