

# EXIT READINESS SCORE:

SCORE ON A SCALE OF 1-6



FACTORS	RATINGS	CONSIDERATIONS
Brand Issues		Does the Brand Add Value?
Company Documentation		Corp. Docs, Legal, Operating Agreement, Buy-sell
Compliance Issues		Taxes, Environmental, Regulatory, Retirement
Credibility and Justification		Customers, Awards, Community
Customer Contracts		Customers & Strategic Alliances, Warranties, Maint.
Employee and Management Issues		Reliance, Competency, Morale, P&P, Turnover
Expense Contracts		Suppliers, Leases, Insurance, Web, etc.
Expense Management		SGA, Insurance, Banking, Cash, Payroll, GM, Payroll
Financials		Taxes, Financial statements, Customer analysis
Immediate Value Readiness		How Ready Right Now - Strategic Buyer?
Intellectual Property		Trademarks, Patents, Software, Domains
Look at Government Grants		R&D, Fed., State, Local
Management Systems and Forecasts		12 Months - 3 Years, Scorecard
Marketing Documentation and Systems		Systematic, Proof
Payment Considerations		Net Proceeds, Terms Considerations, Exit Options
Personal Expectations		Post Sale Expectations & Plan
Personal Knowledge		Understanding of How Buyers Place Value
Product and Marketing Strategies		Ansoff Matrix. Products and Markets Analysis
Revenue Drivers		S&M, Lead Generation, Conversion, Conversion Rate
Shareholder Goals		Shareholder Alignment When How Who
Systems Processes and Databases		CRM, Accounting, Customer, Sales, Fulfillment
Valuation Expectations		Valuation, Transition Timeframe, Needs Analysis

## INSTRUCTIONS

### STEP 1:

Score each category on a scale of 1-6, based on the below key:

1. Bad/Nonexistent
2. Needs Improvement
3. Slightly Below Average
4. Slightly Above Average
5. Best-in-Class
6. In a Class of One

### 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 = 88  
MAXIMUM RATING = 132  
 $88 / 132 = .67$   
READINESS SCORE: 67%

CATEGORY	
Total Rating	
Maximum Rating	132
Personal Readiness Score (Your Total / 132 = %)	

CATEGORY	POOR OR NONEXISTENT	NEEDS IMPROVEMENT	SLIGHTLY BELOW AVERAGE	SLIGHTLY ABOVE AVERAGE	BEST-IN-CLASS	INDUSTRY LEADER
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%