

Plan4Sale

Business Owner Questionnaire

The purpose of this questionnaire is to give you, the owner, a chance to reflect on your current experience at work, and to enable us to assess your needs accurately.

Personal

Answers

- | | | |
|---|---|---|
| 1 | How long have you been an owner of the business? | |
| 2 | How many hours a week do you work? | |
| 3 | If you did not work, how would you fill your time? | |
| 4 | Describe your work life balance | Good
Acceptable
Poor |
| 5 | How stressful do you find work? | Not at all
Moderately
Very |
| 6 | Where are the main points of stress? | Customers
Staff
Cashflow
Other (specify) |
| 7 | When did you last speak to your largest five customers? | This month
This year
Over a year ago |

Personal Finance

Answers

- 8 Have you accumulated wealth via other investments, property, pension?
- 9 Could you retire as comfortably as you like, if you sold your business tomorrow for:
- The value of the balance sheet?
 - The value of three times last year's profit?
 - The value of seven times last year's profit?
- 10 If you sold and left the business tomorrow, would you still work and if so, doing what?

Management team and personal adviser/mentor

Answers

- 11 Are you actively grooming a succession team?
- 12 Who are the two key people in each of the following (including you)?
- Sales
 - Production or operations
 - Design
 - Finance
- 13 Of the people identified above, are any capable of and/or interested in leading an MBO, or being part of an MBO team?
- 14 Describe the senior management team and their approach to ownership of problems and to the business?
- 15 Who are the people that you turn to for confidential advice - spouse, friend, accountant, co-director?
- 16 What would happen to the business if you went on a three month vacation and how would you be missed?
- 17 The process of dealing with Legal/Financial/Commercial/Tax Due diligence and subsequent Disclosure letter preparation is extremely onerous. Do you have a senior person available to dedicate 90% of their time to this for 6 months?

The Business and Industry

Answers

- | | | |
|----|---|--|
| 18 | Describe what the business does | |
| 19 | How many businesses compete with yours in the UK? | Less than three
More than three, less than ten
More than ten |
| 20 | If you increased your prices by 5% across the board, what would happen? | |
| 21 | Can your customers buy substitute products (eg use wooden doors, rather than plastic)? | |
| 22 | Is the industry in which you operate undergoing, or about to undergo substantial change in its commercial relationships or trading model? | |
| 23 | Is the industry in which you operate growing or static? | |
| 24 | Has the industry grown or declined in the last ten years? | |
| 25 | Taking approximately 75% of your customers over the last year, have they been customers for: | Less than one year?
One to five years?
Over five years? |
| 26 | What proportion of turnover does your largest customer account for? | |
| 27 | What proportion of turnover is contracted on annual or multiyear contracts, if so, what is next year's recurring revenue percentage? | |

28 Describe your product or services. Are they Freely available from a range of sources?
 Tricky to source, as a customer?
 Unique to you?

29 Are your products or services standardised, or are they bespoke? (If they are a mix, please describe.)

30 Why do customers buy from you?

31 How many bad or disputed debts have you had in the last three years and what value are these?

32 Is there any consistent pattern to bad or disputed debts (eg common customers, products sold)?

33 What is your best guess of the national spend in your market?

34 How do payment terms work, across your various products and service lines?

35 How badly would you be affected if you lost your largest customer?

36 Is your Gross profit margin % falling or rising year on year?
 Is your EBITDA profit margin % falling or rising year on year?
 Is your retained profit margin (before dividends, but after fair market remuneration for owners are paid) % falling or rising year on year?
 Is your EBITDA per employee falling or rising year on year?

Future

Answers

- 37 Do you have a detailed 3 year business projection model and how does this change the Company's margins (and why)?
- 38 What is your best guess on turnover, profit and cash growth over the next three years?
- 39 What is your best guess of the percentage chance that you hit this?
- 40 What level of investment is required to hit this?