



BUSINESS CONTINUITY INSTRUCTIONS



Owner: _____

Company: _____

Last Updated: _____

Next Update Due: _____

(Put the next update on your calendar.)



WHAT IS A BUSINESS CONTINUITY PLAN?

Disaster planning for fire, flood, weather events and infrastructure failure is just common sense in most organizations. What many such plans lack is actionable information for when the owner isn't available to lead, manage and coordinate everyone else's effort. An owner's death or disability frequently leads to the failure of a business, with repercussions for family, employees and customers.

There are two parts to this plan. The first is "The Battle Box," the place where employees and family can immediately access critical information needed to keep the business operating.

The second and equally important portion is the questionnaire covering longer-term planning. Who runs the business for the foreseeable future? How do you want key people, family and advisors to be compensated? Who has decision-making authority for both operating and strategic issues? How will your ownership be transitioned or sold?

We hope that no one ever needs to implement this plan. If they do, however, it may be the most important exercise you've ever done, both for your business and your family.

ABOUT THE EXITMAP®

ExitMap® tools are designed to help owners and their advisors prepare for the most important financial transaction of a lifetime – the successful transfer of a business.

The ExitMap® Assessment, along with free tools for modeling time frames, valuation expectations, discretionary income and other key exit planning components, are available at YourExitMap.com, along with a list of qualified ExitMap® Affiliates.

For advisors, the ExitMap® provides advisor-only reports (The ExitMap® Analysis and Action Plan) to help attract, qualify and engage owners in the planning process. A complimentary Test Drive for advisors is available at ExitMap.com.

Exit Planning includes family succession, employee purchase or sale to a third party. In every case, it involves issues of valuation, taxation and legal documentation. We strongly recommend using an advisor who specializes in exit planning to coordinate the other professionals needed for a transition.

Your ExitMap® Affiliate

Advisor:

Company:

Email:

Website/Phone:

PART I: "CRITICAL INFORMATION"

WHAT DOES YOUR BUSINESS NEED ON DAY ONE?

Instruct your key employees how to access this information both electronically and in hard copy with your signature.

1. Location of record backups, including offsite backups
 Location of backup computer media (tapes, discs, etc.)

 Online data repository

2. Insurance policies with summaries of coverage
 Location: _____
3. Corporate organizational and governance documentation
 Location: _____
4. Bank accounts and safe-deposit information
 - a. Bank Name: _____
 - i. Type of Account: _____
 - ii. Branch Address: _____
 - iii. Contact: _____
 - iv. Telephone: _____
 - v. Email: _____
 - vi. Account Number: _____
 - vii. Name(s) on Account: _____
 - viii. Authorized Signer(s): _____
 - b. Bank Name: _____
 - i. Type of Account: _____
 - ii. Branch Address: _____
 - iii. Contact: _____
 - iv. Telephone: _____
 - v. Email: _____
 - vi. Account Number: _____
 - vii. Name(s) on Account: _____
 - viii. Authorized Signer(s): _____
 - c. Bank Name: _____
 - i. Type of Account: _____
 - ii. Branch Address: _____
 - iii. Contact: _____
 - iv. Telephone: _____
 - v. Email: _____
 - vi. Account Number: _____
 - vii. Name(s) on Account: _____
 - viii. Authorized Signer(s): _____

5. Patents, formulas and trade secrets

Physical Location: _____

Online Location: _____

6. Spare keys and security codes

Your computer network password: _____

Location of other passwords: _____

7. Who has authority to make immediate decisions?

Operations: _____

Finance: _____

Personnel: _____

Administration: _____

Who should inform employees of your death/incapacitation?

By which means should this person inform employees?

- i. Personal Meeting
- ii. Personal Phone Call
- iii. Email
- iv. Teleconference

Who should inform customers and vendors of your death/incapacitation?

When should this person inform customers and vendors?

- i. Immediately
- ii. Only if asked

Key Advisors (CPA, Attorney, Insurance Agent, Benefit Agent, etc.)

Name: _____ Company: _____ Tel: _____

Name: _____ Company: _____ Tel: _____

Name: _____ Company: _____ Tel: _____

Name: _____ Company: _____ Tel: _____

Name: _____ Company: _____ Tel: _____

This is not an exhaustive list. Think about everything you touch during the week. Could someone else access that information in your absence?

PART II: “LONGER TERM INTENTIONS”

ONGOING OPERATIONS

Trusted Advisor Team

- a. Identify the trusted advisors whom your family members should consult upon your death or incapacitation: _____

- b. Do these trusted advisors have agreements regarding compensation, duration of expected involvement and their roles? _____

First Contacts and Actions

- a. Whom should your spouse/significant other contact first to help manage the business issues? _____
- b. Who should fill your role in the interim? _____
- c. Which employees have your authority to make operating decisions? _____

- d. What family members, if any, have such authority? _____

Major Decisions

- a. Who comprises the Corporate Board of Directors or PPC Managers? _____

- b. What decisions are reserved for the Board? _____

- c. Who are the company officers?
 - i. President: _____
 - ii. Secretary _____
 - iii. Treasurer _____
 - iv. Other _____
- d. Which of these are authorized to bind the company to legal agreements? _____

Agreements with key personnel

- a. Do key employees have written agreements regarding any changes in their roles and authority? _____

- b. Is there a contingent compensation agreement dependent on profitability or company performance? _____

- c. Do key personnel have incentives based on their length of stay or successful transition of the company to new ownership? _____

- d. Are any key employees a flight risk if you die/become incapacitated? _____

Important Customers/Vendors

- a. Are there any customers or vendors who should get special attention? _____
 - i. What is the name of the customer/vendor? _____

 - ii. Why does this customer/vendor need special handling? _____

 - iii. Who should handle the relationship with this customer/vendor? _____

 - iv. Who should handle payables/receivables for this customer/vendor? _____

Existing Arrangements

- a. Do you have a salary-continuation plan? _____

- b. Is there a buy-sell agreement in place? _____

- c. Do you have business-owned insurance? _____

- d. Do you have personal insurance? _____

- e. Are there estate-planning documents related to business? _____

- f. Miscellaneous: _____

STRATEGY

Disposition of Business

a. How do you want your business transferred if you die/become incapacitated?

i. Sold to an outside third party

- A buyer has been identified: _____
- Hire an intermediary: _____

ii. Sold to employees

- What are the names of employees who should have the opportunity to acquire ownership? _____

- What structure or method do you suggest for transfer? _____

iii. Transferred to family

- What are the names of family members to transfer ownership to? _____

- What structure or method do you suggest for transfer? _____

iv. Continued under current ownership

- Is there a buy/sell agreement for your equity? _____

v. Liquidated

vi. Sold to known person or entity (put/call agreement)

- What is the name of the buyer(s)? _____

- What is the buy-sell agreement date? _____

- Where is a copy of the buy-sell agreement located? _____

b. What is the minimum value that your family should receive from the sale/transfer of ownership? _____

c. If the minimum amount specified is not possible, who should decide how a sale/transfer is to be completed? _____

FINANCE

Business Line of Credit

- a. Who holds it? _____
- b. What is the credit limit? _____
- c. Are you the guarantor? _____
- d. Can it be called in if you die? _____

Personal Line of Credit

- a. Who holds it? _____
- b. What is the credit limit? _____
- c. Can it be called in if you die? _____
- d. What should your family do with it if you die? _____

Leased Business Locations

- a. What is the property name? _____
- b. What is the address? _____

- c. What is the name of the landlord? _____
- d. What is the phone number? _____
- e. Where is the lease agreement located? _____

Personal Guarantees (Description, contact name/phone and reason for guarantee)

- a. On loans? _____

- b. On vendor agreements? _____

- c. On leases?
 - i. Equipment _____

 - ii. Real estate _____

Working Capital: Resources available

- a. Does the business have sufficient capital to operate without additional credit? _____
- b. Is there a standby agreement for credit without your personal guarantee? _____

- c. Is there another guarantor who will assume your guarantees? _____

RISK MANAGEMENT

Insurance Policies

- a. What is the total combined death benefits expected from company-paid life insurance?

- b. Do any creditors have liens in place on insurance proceeds? _____

- c. Are policies in place to fund the following? _____
 - i. Working capital
 - ii. Personnel replacement
 - iii. Debt retirement
 - iv. Buy/Sell funding
- d. Are such policies restricted to disbursement only for specified purposes? _____

- e. Any special instructions regarding use of the proceeds? _____

- f. Any special precautions regarding use of the proceeds? _____

Important Dates

- a. Are there any critical dates for renewal of:
 - i. Licenses to do business? _____
 - ii. Vendor or customer contracts? _____
 - iii. Credit facilities? _____