Document prepared
on XX/XX/XXXX

Exit Planning Readiness - Sample
Sample Company

This document was prepared for

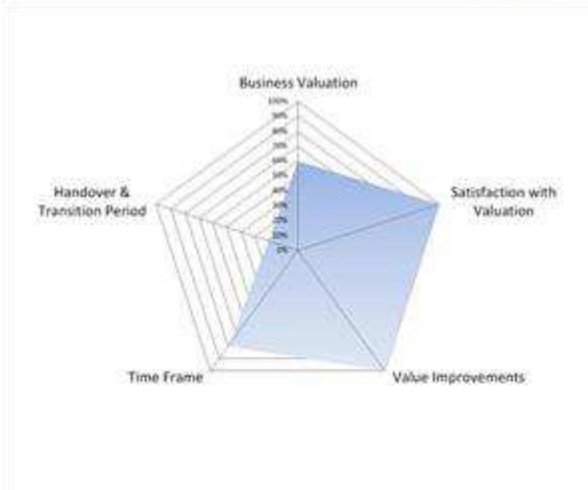
Sample Client, on behalf

of Sample Company

One Page Snapshot of Results

Your Score **59%**

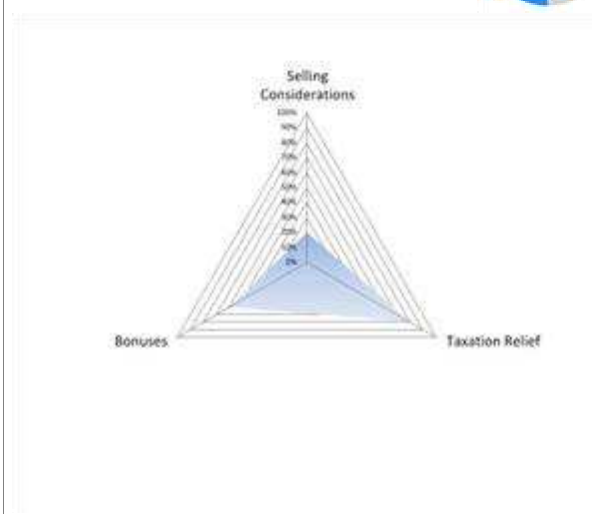
Valuation Expectations



Personal Expectations

Shareholder Goals

Payment Considerations



Understanding Business Exit and Readiness

Introduction to Valuation

Are you ready to sell your business? The questionnaire over the following pages examines how ready you are to sell. The report examines your personal readiness as well as the level of company documentation that you have.

The readiness index is based on an understanding of business valuation methodologies and an understanding of what a buyer wants to see when they purchase a business.

The purpose of this report is to provide you with an edge when selling your business. The more knowledge you have and the more presentable your company is, the more likely you will be to sell at a higher price.

A word on valuation

The valuation of a business is extremely complex because of the diversity of companies, industries and individual business performance that need to be considered.

The true value of your business is effectively what any potential buyer would be willing to pay at any particular point in time.

Most investments involving the acquisition of businesses are obviously motivated by the desire of the investor to make money. The three drivers that generally influence a valuation decision is:

- The amount of money that can be made from the investment,
- The level of risk in achieving those goals and
- The type of work (industry) that the business operates in.

Some companies have developed intellectual property over years of research and development, packaged it and built it into a recognized brand name. In this case we need mechanism to not only value what sales are today but also to take into account the past development that will stimulate sales in future years. An investor that buys this company will reap the rewards of that R&D.

Even if we look at one particular industry and take two similar companies (in terms of their sales and profit performance for the last year) we might justifiably pay more money for one over the other.

Some typical examples that might lead to a marked difference in the valuation:

- One business appears to rely on the Directors and Owners and the other appears to rely on staff members. That means that when a potential buyer takes over the chance of success is much higher.
- One may be a new start company and the other may be an established company with a 5 year trading history.

- One of the companies may have spent a considerable amount on R&D (Research and Development) that will lift their profits in the future.
- One may have developed long term contracts that will ensure the profit for the next 24 months whereas the other will have to rely on winning contracts or work on a weekly basis.
- One may have an easily identifiable customer database that is very loyal and the other may have a high turnover database.
- One of the companies may have developed a product that is positioned in a growth market and the other may not.
- One may be in a better geographical segment.
- One may have a brand that is more recognizable.
- One of the companies may have developed a worldwide patent that locks the brand into immediate worldwide distribution.
- One of the companies may be a dominant player in a niche whereas the other is a smaller player with less of a competitive advantage in a wider marketplace.
- One business may be a strategic fit to another other business and therefore the acquiring business may be able to generate more profit in the future as a result of this strategic fit.

Then of course there are the intangible reasons:

- One has better systems in place when the buyer arrives.
- One appears more professional than the other.
- One negotiates a better deal based on future profits rather than historical performance.

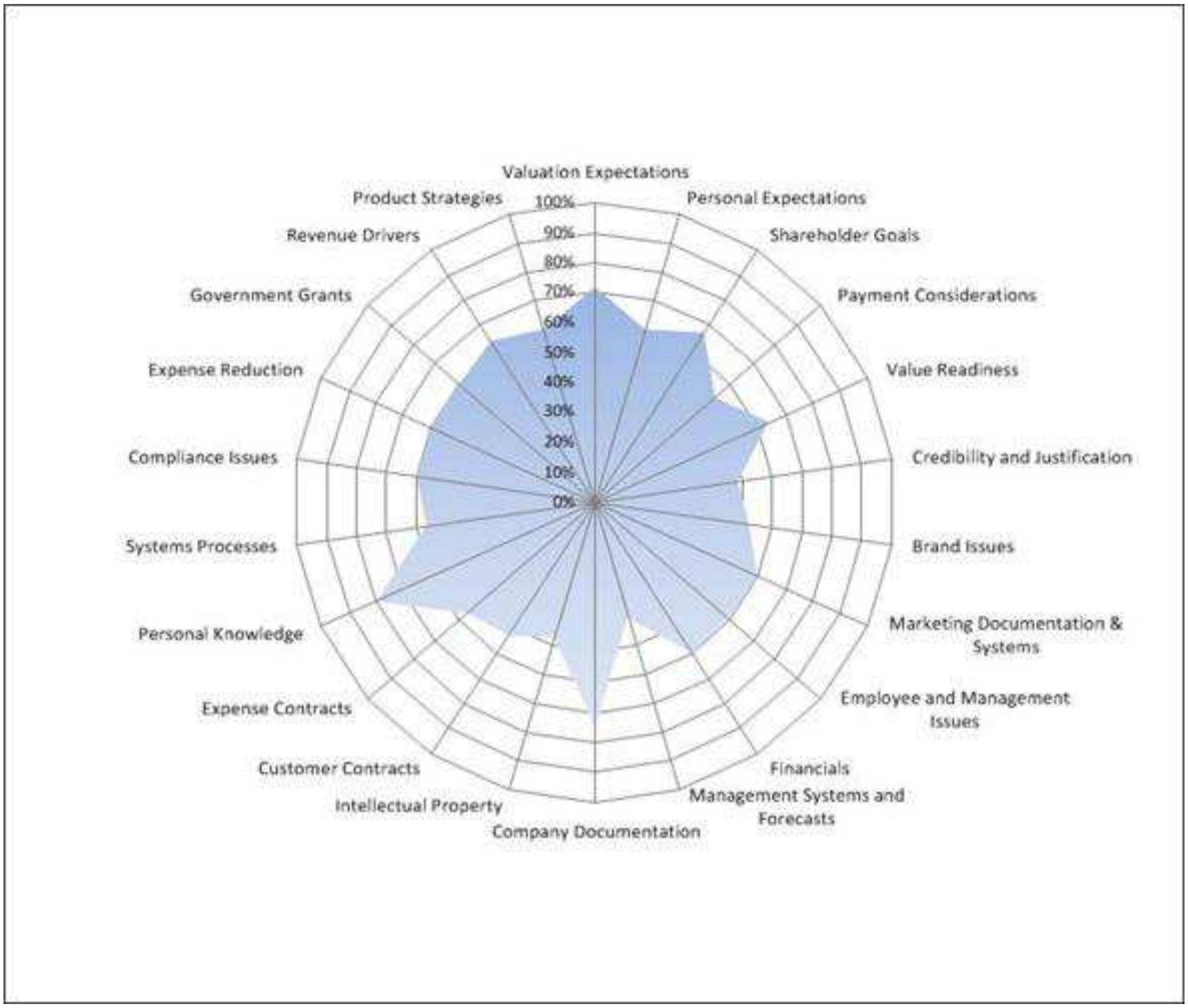
Your business valuation will be less if:

- Your sales and profit history is in a downward trend.
- You are a relatively new start company.
- The market you are operating in is in decline.
- Your products and services need considerable investment to continue on-going trading.
- Your earnings are fluctuating.
- There are competitive or industry trends that will make your business less profitable in the future.

This report will help you to understand how ready your business is at the moment.

Exit Readiness Planner Score 59%

The following graph is calculated by averaging your performance across a number of key areas. Based on our questionnaire we have drafted a radar chart that indicates the areas that you need to work on.



Based on your answers to these questions your score is 59%.

Valuation Expectations

This section looks at whether you have an understanding of how much your business is worth and whether you would be prepared to sell for that amount. If you would only be prepared to sell at more than this amount then obviously you need to improve the value of your business before selling.

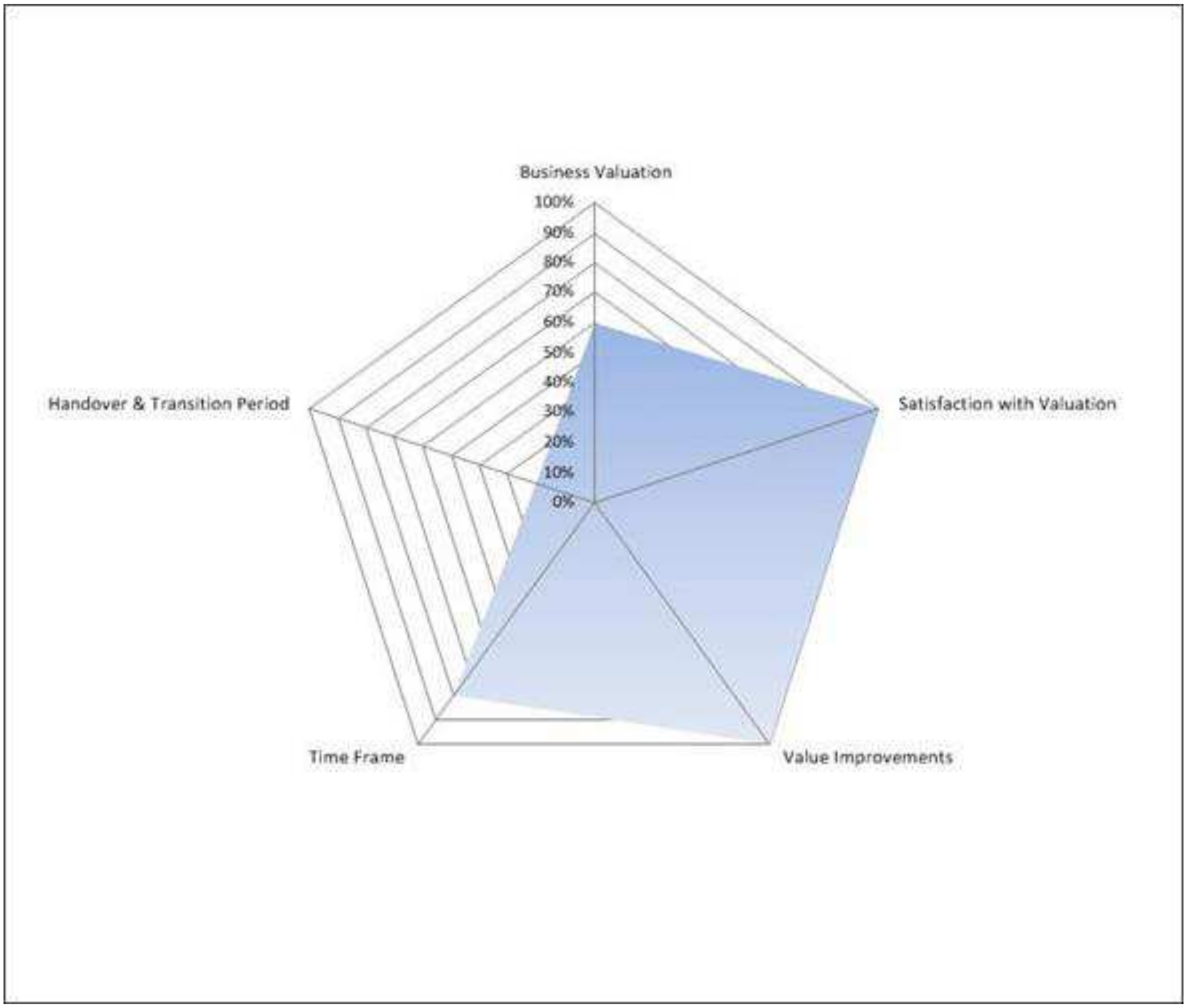
You should also be considering whether it is possible to increase the value of your business to the level of worth that would satisfy you. If it is not possible to increase the worth of your business then you might consider not selling and managing your business for lifestyle.

When you review this area you should also be looking at the time frame. If your business is worth what you would be prepared to sell then your timeframe to sell can be very short. If your business falls below the value for which you would sell then you need to set a timeframe that is realistic in building value.

Based on your answers to our questionnaire your business scored is 72% in this area.

Topic	Analysis Area	Score
Business Valuation	Do you know how much your business is worth today? (on what basis was this assessment made)	3
Satisfaction with Valuation	Would you be happy to sell your business for this amount?	5
Value Improvements	Are there any changes you could make to improve your business worth? Answer completed if there are no further changes that could be made.	5
Time Frame	Do you have a time frame for which you looking at to sell your business?	4
Handover & Transition Period	Have you determined how long will you allow for handover and transition period?	1

Graph of Valuation Expectations



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The brand was originally established by Peter Hickey CEO in February 1990. For over 20 years, MAUS has been a leading publisher of innovative management software and learning programs targeted to small to medium sized business sector and business advisors

To maintain its market leadership, MAUS has demonstrated year after year the ability to continually deliver high quality, high featured practical software at a fraction of the price of our competitors. With over 60,000 users globally, MAUS has one of the most comprehensive ranges of business software and programs in the world.

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