



Clarifying Questions

These clarifying questions can help get at the intention behind the client's answers when you review the completed **Exploring Priorities Checklist** (BB9557) or **Business Planning Services Fact Finder** (BB10847).

1. Exit Planning

- Where do you see your business in 10, 20, 30 years? Are you still running it?
- Whom do you see running the business when you leave? Outside third party? Key employee? Family member?
- How do you see the business transferring? Lump sum payment from an outside third party? Or, installment sale to a family member or key employee?
- If transferring to a key employee, are you interested in helping to ensure he or she has the liquidity for at least a down payment?

2. Retirement Income

- What are your proposed revenue sources for retirement? Do you have a qualified plan in place? If so, are you and your key employees limited in what you can contribute?
- If the client says, "My business is my retirement," how does he or she see the money flowing out of the business? Would it put a strain on cash flow?

3. Business Protection

- Who in your business is critical to the ongoing success of your business?
- Would your profits be affected if a key employee were to leave, die or become disabled?
- Would you be interested in a plan that may reduce the risk of a competitor luring a key employee away from your business (executive benefits, stay bonus, etc.)?
- Are you aware of the business accounting saying "If you can't get a tax deduction, get cost recovery"? Would you like to discuss this?

4. Wealth Transfer

- Recognizing that your business is a big part of your wealth and your estate, do you have family members who are in the business, and others who are not in the business?
- Are you concerned about "estate equalization" for those who are not active in the business?

5. Survivor Income

- When was the last time you did a needs analysis or reviewed your personal coverages (life insurance, income disability insurance, etc.) to determine how much your family would need if you were to die?
- Have you thought about using business funds to finance the personal protection your family needs?

6. Income Protection

- What personal disability income insurance do you have in place?
- Do you have a plan in place to cover your overhead expenses (rent, utilities, employee wages, depreciation, taxes, insurance, etc.) in the event you or your partner should become disabled?



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