Business owner profile

Table of contents

Section A: Business origin story

How did you get started in the business (e.g., started/founded the business, inherited the business from a family member, purchased from a third-party seller)?

When did you establish your business?

What has the evolution of the business been?

What makes your business unique?

What about the business is working well now?

What challenges are you currently facing in the business (e.g., industry challenges, competitor challenges, technology challenges, talent acquisition challenges)?

Tell me about any family members working in the business (or invested in the business).

*Note: You will want to explore the details of any family member working in the business (e.g., what are their roles? Expectations for the future? Ownership positions? Challenges? If spouse/partner is not mentioned, ask specifically if their spouse/partner has any role or ownership position in the business.)

Do you have any children not currently working in the business? What careers/studies are they pursuing? Do they have any potential future interest in joining the business? Do they have any ownership stake in the business?

How many employees do you currently have (in addition to the above family members)? What are their roles, tenure, and expectations for the future? Do you anticipate AI replacing any of these jobs?

*Note: If this is a small company, you may want the details on the individuals. For larger companies, you want the departments, numbers, and general information.

Section B: Business planning questions

What are your short- and long-term goals for the business (e.g., revenue, profitability, enterprise value, growth rate, number of employees, impact on the community, etc.)?

Are there personal financial goals that you want your business to be able to provide for, now and in the future? If yes, let's try to quantify them.

When you think about the future of your business, do you see it more as a source of income or as an asset you could one day sell and pass on?

What would you like to see happen to your company?

Is there any business debt that would need to be paid off in the event of your death? If so, what is the amount and the terms?

Have you ever acquired another business? If so, when and what was the outcome?

Have you ever sold a division, product line, or business unit?

Is growth through acquisition part of your long-term strategy?

Are there competitors, suppliers, distributors, or complementary businesses you would like to acquire?

Have you identified target companies or markets for expansion?

Do you have access to sufficient capital and financing to pursue acquisitions?

Section C: Owner involvement in the business

How many hours a week are you spending “in the business” vs. “on the business”?

Do you feel like you own the business, or does the business own you?

How much of your business “know-how” (e.g., processes, intellectual property, information technology, etc.) is written down (preferably backed up with software solutions) vs. living in people’s heads?

Could someone step in and run the operation based on your current systems?

If you took a four-week vacation tomorrow with no calls or emails, could the business operate?

Who on your team is being developed to make decisions without you?

If something happened to you, who would step in and lead?

What would you do if you weren't running your company (e.g., buy another company, consult, travel, golf, spend time with family)?

Do you have any key employees who would be difficult to replace if they left the business? ☐ Yes ☐ No

If so, who are they? What would be the business/financial impact and how would you adjust?

Section D: Succession planning

What consideration have you given to succession/transition planning?

Are you familiar with all the potential exit options and their pros and cons (e.g., sale to a third-party strategic buyer, sale to employees, family transition, private equity, ESOPs, etc.)?

What would be an ideal time frame to exit your business?

If you did sell your business, would you want to be employed by the acquirer?

Have you thought about whether or not you could work for someone else? Especially in a business you founded?

How would you evaluate an unsolicited offer?

Are you familiar with how strategic third-party buyers or private equity investors value companies in your industry?

What would your ideal terms for a deal be if you sell to a third-party? (e.g., cash, stock, earn out, seller's note, seller financing, gifting, etc.)

What would your ideal terms be if you sell your business to a family member?

What would your ideal terms be if you sell your business to an employee(s)?

Section E: Business information

Business name:

Address:

City, State, Zip:

Phone:

Website:

Email:

Business owner's professional team

	Name	Firm	Phone	Email
CPA/Accountant				
Business Attorney				
Business Banker				
Financial Professional				
Insurance Advisor				

Do you involve your above advisory team in strategic planning for your business?

Does your current advisory team collaborate in understanding your goals and objectives?

Is your leadership team involved with your advisory team?

Section F: Tax status

(choose an option below)

Tax distinct entities

Estimated tax bracket: % Date fiscal year ends:

Accounting: ☐ Cash ☐ Accrual

☐ C corporation:

- ☐ Sole shareholder
- ☐ Multiple non-related shareholders
- ☐ Family member shareholder

☐ Professional corporation

☐ Non-profit:

- ☐ Government
- ☐ Private

Pass through entities

Personal tax bracket: % Date fiscal year ends:

Accounting: ☐ Cash ☐ Accrual

☐ Partnership

☐ LLC taxed as a:

- ☐ Proprietorship
- ☐ Partnership
- ☐ C corporation
- ☐ S corporation
- ☐ Professional corporation

S corporation - always been an S corp? ☐ Yes ☐ No If no, conversion date?

Future business changes

☐ Incorporate

☐ Sell to outsiders

☐ Merge

☐ Give/sell to children

☐ Go public

☐ Sell to associates

Section G: Ownership

Owner name	% Ownership	Role in company/title	% Ownership in other companies (amount and name of company)

Are any of the owners related? ☐ Yes ☐ No

Do you, or any of the co-owners have family members in the business? ☐ Yes ☐ No

If so, is there a plan to include them in future ownership? ☐ Yes ☐ No

Please elaborate:

Do you, or any of the co-owners, plan to pass the business to family by will, gift, or sale? ☐ Yes ☐ No

If so, to whom and how?

Section H: Business valuation

Do you have a current valuation for your business?

If so, who did the valuation?

Was industry data used to understand the range of multiples for companies like yours and where your company's valuation fits within that range?

Estimated fair market value: $

Estimated growth rate (%):

Date valued:

Valuation method (e.g., income approach, asset-based approach, market approach):

Wealth gap

Net worth goal $

Minus current net worth (excluding the value of the business) $

= WEALTH GAP $
(what the business needs to be worth in order to achieve the net worth goal)

Section I: Financials

Current annual revenue $ Revenue three years ago $

Current operating profit/EBITDA, or whatever profitability measure the owner uses?

EBITA (Earnings before interest, taxes, and amortization)

Last fiscal year: $

Previous fiscal year: $

Approximate profit margin (%):

Historical/expected growth rate (%):

Largest customer as a percentage of revenue (%):

Approximate percentage of revenue the owner is personally responsible for (%):

Business debt: $

Are you (and any co-owners) paying yourself a salary?

Are there additional profits you and any co-owners currently take out of the business?

What personal expenses do you and any co-owners run through your business?

What capital needs does the business have? (e.g., fund an expansion or investment, bridge liquidity, and cash flow needs)?

What lines of credit do you have set up for the business? When was the last time you reviewed them?

Section J: Buy-sell information

Is there a buy-sell agreement? ☐ Yes ☐ No

If yes, agreement type? ☐ Cross purchase ☐ Entity purchase ☐ Other

How was the purchase price determined?

Is the agreement funded? ☐ Yes ☐ No

If yes, how was it funded?

What process do you have in place for reviewing the agreement and the funding? Frequency? Is a valuation obtained to ensure the terms of the agreement remain equitable and that the appropriate funding is in place? Is there a review by the interested parties' legal counsel? Is there formal communication with family members?

Section K: Business continuation plans

Is there business interruption/business income insurance in place? ☐ Yes ☐ No

If yes, who is it with and what does it cover?

When was it last reviewed?

Is there business liability insurance in place? If yes, who is it with, and what is the coverage?

What will happen to the business and the family in the event that a disability is suffered by an owner or co-owner?

What will happen to the business and the family in the event of the death of the owner or co-owner?

Is there a succession plan in place? ☐ Yes ☐ No

If so, what is it?

Section L: Business life insurance

Does the business own life insurance on any owners or key employees? ☐ Yes ☐ No

If so, indicate below:

Insured name	Term/permanent	Policy cash value	Death benefit	Issue date

Is it 101J compliant? ☐ Yes ☐ No

Is there a notice and consent form on file? ☐ Yes ☐ No

Is IRS Form 8925 filed annually? ☐ Yes ☐ No

What is the purpose of the insurance?

Section M: Employee benefits

Employee benefit programs

Health insurance ☐ Yes ☐ No Disability insurance ☐ Yes ☐ No

Dental insurance ☐ Yes ☐ No Life insurance ☐ Yes ☐ No

Vision insurance ☐ Yes ☐ No

Any other benefit plans?

Group benefits

401(k) ☐ Yes ☐ No

Profit sharing ☐ Yes ☐ No

Pension ☐ Yes ☐ No

Key employee benefit plans

162 Bonus or REBA ☐ Yes ☐ No Split dollar ☐ Yes ☐ No

Deferred compensation ☐ Yes ☐ No Stock options ☐ Yes ☐ No

Any interest in offering key employee benefit plans?

Are there any other benefits that incentivize employees to keep working for the business? If yes, what are they, and who are the participants? If not, would you consider benefit plans that encourage them to stay with the business?

Would you be interested in a plan that benefits you and the other owners? ☐ Yes ☐ No

*To document details for your key employees, complete the key employee information/census table in the Appendix on page 23.

Section N: Retirement plan(s)

Are you currently working with a financial advisor to help manage/mitigate your fiduciary risk? If so, who is the advisor and what is the scope of services they are currently providing?

Are they acting as a fiduciary in either a 3(21) or 3(38) capacity?

Are they providing assistance with compliance, plan design, M&A (if needed)?

Are they providing any education support for participants?

What fees are being charged for the scope of services being provided? Is the fee structured as an asset-based or a flat fee?

What does the current service model look like with the current record-keeper?

Do you have a dedicated service team, or is it pooled?

Are there any current pain points from a service or administrative perspective? If so, what are those hot buttons, pain points?

Do you currently have an investment committee? If so, who are the committee members? Is there a committee charter in place outlining roles and responsibilities?

Do you have a fiduciary file to document their decisions related to the 401(K) plan?

Has your current financial advisor provided any fiduciary training to the committee?

Do you have an investment policy statement in place to help monitor the investments?

What is the current required revenue to operate their plan?

Is there an ERISA bucket used to capture excess revenue from the mutual funds?

When was the last time they benchmarked your fees?

*Note: If it has been longer than five years, they may want to consider conducting an RFI/RFP. There has been significant fee compression across the market over the last three years.

How are you measuring the success of your plan? Are you looking just at the participation rate and average deferral rates, or are you looking at each individual's retirement readiness to gauge success?

What type of communication and education strategies are being used to help improve participation and help drive better retirement outcomes?

What is your current plan design? Is it a Safe Harbor plan? Do you offer employer contributions? Roth feature?

Do you view their plan as competitive relative to their peers in their industry?

What goals and objectives have been established for the plan? Have those goals been met? If not, why?

Where do you envision your plan in five years? How would you view/determine the success of your plan?

What are you looking for in an advisor and record-keeper? What do you view as value?

Appendix

Key employee information/census:

Name	Title	Salary	Bonus	Increase	DOB	Gender	Risk class*	Tax bracket	State	Rate

*Risk Class Options

Super Preferred Non-Smoker (SPNS)
Preferred Non-Smoker (PNS)
Standard Plus Non-Smoker (StdPNS)
Standard Non-Smoker (StdNS)
Preferred Smoker (PS)
Standard Smoker (SS)

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