

Six Star Program for Family Business

Check the box next to the item you do regularly.

A) Health

- I have annual physical each year around my birthday.
- I see a dentist at least twice per year for a dental check up.
- My eyes are examined every three years.
- I exercise for an hour at least four days per week.
- I have good dental hygiene (floss, brush teeth, scrape tongue daily).
- I have a health care durable power of attorney in place and signed my health care living will.
- I do not use my adrenaline or rush to accomplish my job.
- I have a balanced and rewarding life outside of my family business.
- I seek professional help when I need expert advice in my mental, physical and spiritual requirements.
- I do not smoke or use other substances, which are mood altering.

B) Wealth

- I invest at least 15% of my income in solid investments yearly.
- I have adequate income from my business.
- My personal expenses are in order without depriving my family of their basic needs.
- My family is aware of the financial resources of our family.
- Our family talks openly about our financial resources.
- My estate plans are clear, known by each family member, and includes all the family members as a group.
- My estate plans documentation is kept in a fireproof and safe place.
- I have advisors who would be able to manage my estate if I am incapacitated.
- My estate includes appropriate tax planning and tax saving vehicles.
- My personal investment portfolio is diversified so that a reasonable amount of resources is outside of the business.

C) Career

- I really am doing what I meant to do – my real purpose in life.
- I help inspire my employees and family to find their true meaning in life.
- I look forward to redirecting my energy as opportunities appear in my life.
- I am doing what I want and not what my forefathers provided for me.
- I am developing my own signature on the family business.
- I am consistently early or on time for all my appointments.
- I put people first and results second.
- I listen closely and gather the appropriate facts before making a personal or professional decision.
- I work on expanding the vision of the family business for its successful survival.
- I have included my family and advisors on situations that effect the family, the business, the ownership, etc. so that we make a group decision.

D) Love

- I have a wonderful relationship with all my family members.
- I have resolved any past family conflicts that might cause some personal difficulties.
- I spend quality time with my children, with my spouse, and with my parents.
- I have forgiven any person or situation that may hurt me, either intentionally or not.
- I am a person of my word, and I tell others how they can satisfy me.
- I correct miscommunications or misunderstanding promptly when they occur.
- I spend quiet time with myself daily to reflect on all that I'm grateful for in my life.
- I tell my life partner what s/he means to me, often.
- I do not criticize or judge others – I look and acknowledge the best in others – consistently.

E) Business

- ❑ The business is not dependent on me making all the decision.
- ❑ I have delegated important areas of responsibilities to essential people in the organization.
- ❑ The business has appropriate cash flow, prospects and financial reserves to withstand economic downturn.
- ❑ I have a board of advisors (excluding a board of directors) that provides advice and guidance for business planning without a personal agenda.
- ❑ I am complete with past situations, which caused some turmoil in the organization.
- ❑ Top managers of the business have written job descriptions, formal performance reviews, employment agreements for key non-family members, and decision making authority.
- ❑ There is a comprehensive employee manual which outlines benefits and has been reviewed and updated in the past three years.
- ❑ Essential management agreements have been reviewed in the past year.
- ❑ New and expanded markets are being explored.
- ❑ The business can survive with out me.

F) Succession

- ❑ I have clearly identified the successor in my family business if I become incapacitated.
- ❑ There is a buy-sell agreement in place to address death, disability, divorce, bankruptcy, etc., if needed.
- ❑ The buy-sell agreement has a price structure formula and funding terms, which has been reviewed in the past three years.
- ❑ If in a partnership, the buy-sell agreement protects your partner and the continuation of the business.
- ❑ My intended successor is being trained and in a transition program.
- ❑ I can personally financially afford to retire and there is adequate funding to support my life and lifestyle.
- ❑ I have a comprehensive retirements plan to get me away from the business and on to the next endeavor in my life.
- ❑ My children have been taught money management so they are wise managers of money.

- I have a confident advisor (outside of directors or advisors) who is vested in me and not what I do or stand for. S/he is frank and honest with me – even if we do not agree.
- I test the organization's ability to work without me on a quarterly basis.

Count the number of items you have checked off. The lower the number requires you to look very closely at how you are leaving your family business.

- ❖ Which item is most important for you to focus on now?
- ❖ What do you need to do to start your process on these items?
- ❖ Who will help you?
- ❖ What is your time frame in getting this done?
- ❖ Where do you turn for answers?

These questions are here to help you prepare your life and your legacy for a smooth transition. It is only a guide, and it provides an outline for further exploration.

• • • • •

© Terry Schaefer – 2002 version 1.2

This material is the intellectual property of Terry Schaefer. You may not repackage or change this program without the express written authorization. You may use this program with individuals and families without authorization. You may make copies of this program as long as no changes or deletions are made. Your feedback on this program is appreciated.

Terry Schaefer is a personal success coach focusing on family business succession issues. He provides his clients the forum to define, develop and deliver a strategic plan that is based on the fundamental values of the family, the business, and the ownership of family business. For more information on his services, please refer to <http://www.terryschaefer.com>.