

Business Readiness Checklist

1. Business Structure & Organization

- My corporation is structured for both tax efficiency and succession planning.
- Shareholder agreements are in place and up to date.
- I have considered the use of a Holding Company or Family Trust.
- Key contracts (leases, vendor agreements, employment contracts) are current and enforceable.

2. Financial Health

- Financial statements are prepared annually and reviewed regularly.
- Key financial ratios (profit margin, debt-to-equity, cash flow coverage) are understood.
- The business has a tax strategy to minimize leakage.
- The company maintains adequate working capital and reserves.

3. Tax & Compliance

- All CRA filings are current (corporate tax, payroll, GST/HST, information returns).
- I have a strategy for capital gains exemption on a future sale.
- I have reviewed tax implications of dividend vs. salary withdrawals.
- I am aware of potential tax liabilities at death or transition.

4. Insurance & Risk Management

- Corporate-owned life insurance is in place (for tax and estate planning).
- Disability and critical illness insurance cover key shareholders.
- Buy-sell agreements are funded.
- Business interruption insurance exists to protect cash flow.

5. Succession & Exit Planning

- I have identified a successor (family, employee, or third-party buyer).
- A preliminary valuation of the business has been completed.
- A documented transition timeline exists.
- My retirement and estate plans are integrated with the succession plan.

6. Personal & Family Wealth Integration

- My business plan connects with my personal retirement plan.
- Investments in the corporation are aligned with personal portfolios.
- I have a tax-efficient retirement income plan (salary/dividends/RRSP/IPP mix).
- My estate plan includes a will, powers of attorney, and beneficiary designations.

7. Governance & People

- Key employees are identified and retention plans are in place.
- Roles and responsibilities are documented.
- The next generation of leadership is being mentored.
- There is a communication plan for employees and stakeholders during transition.

8. Owner's Readiness

- I have defined what retirement/exit looks like for me.
- My personal financial plan does not rely solely on selling the business.
- I know the minimum value required from my business to fund my retirement.
- I have had conversations with my family about my intentions.

Scoring Tip for Clients

- 20+ boxes checked: You're on the right path but may need fine-tuning.
- 10-19 boxes checked: Gaps exist — time for a planning session.
- Fewer than 10 boxes checked: Strong need for immediate integration and planning.