

# My assets assessment tool

The **My assets assessment** tool is a series of statements covering all activities involved in a business transfer process. We recommend that you fill out this assessment before initiating the business transfer process.

## The purposes of this tool are to:

- make you aware of the various factors you must consider when initiating a business transfer process;
- help you assess your preparedness for your business transfer;
- enable you to choose the appropriate actions to ensure a successful business transfer;
- encourage you to take action to plan your business transfer.

## Instructions:

1. Read each of the following statements, and carefully consider your current situation.
2. Review each of the statements and answer Yes or No to each one by checking the appropriate box.
3. Add the total number of Yes's and No's.
4. In the Overview of my assessment section, enter the number of Yes's under My Assets, and the number of No's under My Liabilities.
5. Subtract your liabilities from your assets, and enter the result under Difference between my assets and my liabilities. This difference is simply an indicator to help you understand your current situation with respect to your business transfer.
6. Taking into account only your assets, under My preparedness for and understanding of the transfer process, check the level of preparedness (low, average or high) corresponding to this number.
7. Taking into account the results of your assets assessment, write down your three main concerns under What are my three main concerns?
8. Finally, fill in the table entitled Action plan to reduce/eliminate my concerns, and use the plan to guide you in the process, being sure to stay on schedule.

## My assets assessment

FACTORS AND ACTIVITIES INVOLVED IN A BUSINESS TRANSFER	YES	NO
1. I am aware that I must plan my business transfer.	<input type="checkbox"/>	<input type="checkbox"/>
2. I am familiar with all the components of a transfer plan.	<input type="checkbox"/>	<input type="checkbox"/>
3. I am aware of the consequences of not planning the transfer of my business.	<input type="checkbox"/>	<input type="checkbox"/>
4. I have examined all the issues involved in the transfer of my farm.	<input type="checkbox"/>	<input type="checkbox"/>
5. I have already started drafting my business transfer plan.	<input type="checkbox"/>	<input type="checkbox"/>
6. My successors have already been identified.	<input type="checkbox"/>	<input type="checkbox"/>
7. My successors have extensive training that will prepare them to manage a farm.	<input type="checkbox"/>	<input type="checkbox"/>
8. My successors are already involved in business decisions.	<input type="checkbox"/>	<input type="checkbox"/>
9. I have open discussions about the transfer with my family members.	<input type="checkbox"/>	<input type="checkbox"/>
10. I have already begun working with a <i>centre régional d'établissement en agriculture</i> (CREA) or a human relations professional.	<input type="checkbox"/>	<input type="checkbox"/>
11. I have a clear idea of which improvements need to be made in order to better position the business following the transfer (investments, productivity, efficiency, etc.).	<input type="checkbox"/>	<input type="checkbox"/>
12. I have drafted a strategic development plan for my business.	<input type="checkbox"/>	<input type="checkbox"/>
13. I have a clear idea of the transfer scenario (one-time transfer, progressive transfer, gradually selling off assets, other).	<input type="checkbox"/>	<input type="checkbox"/>
14. I know the fair market value of my business.	<input type="checkbox"/>	<input type="checkbox"/>
15. I have a good idea of the selling price in the case of a transfer to a family member.	<input type="checkbox"/>	<input type="checkbox"/>
16. I have a good idea of the debt load that the farm can withstand without risking its continuity.	<input type="checkbox"/>	<input type="checkbox"/>
17. The current financial structure of the business is optimal.	<input type="checkbox"/>	<input type="checkbox"/>
18. I have already studied all of the financing options related to the transfer.	<input type="checkbox"/>	<input type="checkbox"/>
19. I'm aware that I might have to finance part of the transaction.	<input type="checkbox"/>	<input type="checkbox"/>
20. I am aware of the various government succession assistance programs.	<input type="checkbox"/>	<input type="checkbox"/>
21. I have studied the possible legal scenarios (corporate structure, etc.).	<input type="checkbox"/>	<input type="checkbox"/>
22. The shareholders' agreement is adequate.	<input type="checkbox"/>	<input type="checkbox"/>
23. The current tax planning for the business is optimal.	<input type="checkbox"/>	<input type="checkbox"/>
24. I have studied the tax scenarios related to the transfer.	<input type="checkbox"/>	<input type="checkbox"/>
25. I have assessed the insurance needs in order to protect the continuity of the business in case of unforeseen events.	<input type="checkbox"/>	<input type="checkbox"/>
26. I have evaluated the various solutions to the issue of fairness for our children who will not be involved in the business.	<input type="checkbox"/>	<input type="checkbox"/>

## My assets assessment

FACTORS AND ACTIVITIES INVOLVED IN A BUSINESS TRANSFER	YES	NO
27. I know the role I want to play in the farm between now and the time of my exit.	<input type="checkbox"/>	<input type="checkbox"/>
28. I have projects lined up for my retirement.	<input type="checkbox"/>	<input type="checkbox"/>
29. I am aware of my financial needs for retirement.	<input type="checkbox"/>	<input type="checkbox"/>
30. I am aware of the impacts of my marriage contract on my succession.	<input type="checkbox"/>	<input type="checkbox"/>
31. I have a will that reflects my current wishes.	<input type="checkbox"/>	<input type="checkbox"/>
32. I have signed a power of attorney.	<input type="checkbox"/>	<input type="checkbox"/>
33. I take care of my health.	<input type="checkbox"/>	<input type="checkbox"/>
34. I can rely on the support of a group of competent business transfer specialists who work as a team.	<input type="checkbox"/>	<input type="checkbox"/>
35. I am aware that Desjardins can help me and guide me through the entire business transfer process.	<input type="checkbox"/>	<input type="checkbox"/>

# My assets assessment

## Overview of my assessment

My assets = \_\_\_\_\_

My liabilities = \_\_\_\_\_

The difference between my assets and my liabilities = (-) \_\_\_\_\_ (+) \_\_\_\_\_

## My preparedness for and understanding of the transfer process

Checkmark the statement corresponding to your assets assessment

Low 0-11     Average 12-23     High 24-35

## Given the results of my assessment, what are my three main concerns?

Here is an example:

1. Evaluate the market value of my business.
2. Evaluate the financial capacity of the business in relation to the transfer.
3. Evaluate my financial needs for my retirement.

## Action plan to reduce/eliminate my concerns

CONCERNS	ACTIONS	TARGET DATES	PERSONS INVOLVED	FOLLOW-UP DATE:
Example: 1) Have the market value of my business valued	Contact a business valuation expert Hire an expert to value the business	May	My accountant	On Friday, three weeks from now
2) Financial capacity of the business	Review improvement options with my management consultant With my account manager, evaluate the ability to repay and the financial structure Set a date for my exit from the business	Next week  In one month	My farm management consultant My agri-business account manager	Ongoing thought process In two weeks
3) Evaluate my financial needs for my retirement	Call my financial planner at Desjardins	Within the next month	My financial planner and my spouse	Call my financial planner next week

# My assets assessment

## ACTION PLAN TO REDUCE/ELIMINATE MY CONCERNS

CONCERNS	ACTIONS	TARGET DATES	PERSONS INVOLVED	FOLLOW-UP DATE