

Owner's Interview Form

Interview Questions

1. Do you use an accountant to prepare your year end financial reports?
a. Yes b. No
2. Will you provide financial reports (P & L, Balance Sheet, & Federal Tax Return) for the last three completed fiscal years or for the years that apply if you have been established less than 3 years? a. Yes b. No
3. Will you provide interim financial reports (P & L and Balance Sheet) for the current fiscal year? a. Yes b. No
4. How many years have you owned this business?
a. less than 1 b. less than 3 c. 3 to 5 d. 5+ to 10 e. 10+
5. How many years has this business operated using the current name & location? a. less than 1 b. less than 3 c. 3 to 5 d. 5+ to 10 e. 10+
6. What is the competitive situation in your market area?
a. none b. light c. typical d. heavy e. saturated
7. What do you think your competitive ranking is in your market area?
a. #1 b. #2 c. #3 d. less than #3 but in the top 50% e. Unknown

(Interview Questions Continued)

8. What is the total Sales Revenue for last year?
a. less than \$100K b. \$100K+ to \$200K c. \$200K+ to \$400K d. \$400K+ to \$800K e. \$800K+ to \$1.2M f. \$1.2M+ to \$2M g. \$2M+.
9. What is the trend of the Sales Revenue over the last three years?
a. Strongly up b. Up c. Flat d. Up & Down e. Down f. Strongly down
10. Have you had a formal Business Valuation in the last 12 months?

a. Yes b. No

11. In cash and benefits, what was the total compensation to the owners that was taken from the business last year?

a. less than \$40K b. \$40K+ to \$75K c. \$75K+ to \$100K d. \$100K+ to \$150K
e. \$150K+ to \$250K f. \$250K+ to \$500K g. \$500K+.

12. What would you estimate the total compensation to a new owner will be? Factor in payments to employees that might be necessary if one person can't cover all the tasks now performed by current owners.

a. less than \$40K b. \$40K+ to \$75K c. \$75K+ to \$100K d. \$100K+ to \$150K
e.. \$150K+ to \$250K f. \$250K+ to \$500K g. \$500K+.

13. What is the trend of the total compensation to owners over the last three years?

a. Strongly up b. Up c. Flat d. Up & Down e. Down f. Strongly down

14. How is the total compensation to owners this year comparing to last year?

a. Much less b. Less c. Same d. More e. Much more

15. How much of the Selling Price are owners willing to carry?

a. 0% b. 1% to 10% c. 11% to 20% d. 21% to 30% e. 31% to 40%
f. 41% to 50% e. 50%+

16. How much revenue growth is realistically possible over the next two years if the new owner were to invest some money into growth?

a. Unknown b. 1% to 10% c. 11% to 25% d. 26% to 50% e. 51% to 100%
f. 100%+

17. How much money would you estimate that the new owner would need to invest to achieve that potential growth? (Express amount as a % of company's gross revenue for last year)

a. Unknown b. 1% to 5% c. 6% to 15% d. 16% to 25% e. 26% to 50%
f. 51%+

18. What is the most important competitive advantage that your business enjoys and can sustain?

a. Excellent location b. Exclusive products c. Patents d. 1st in Market e. Best Pricing
f. Other g. None

19. Are there human resources or suppliers, critical to the business, not easily replaced?
a. No b. Yes
20. How suitable is the current facility for future company use?
a. Too expensive b. Good growth reserve c. At capacity now d. Cramped capacity now
e. Must expand now
21. How suitable is the current location for future company use?
a. Too expensive b. Good with hi growth c. Good d. Marginal e. Must relocate
22. How suitable is the current operating assets for future company use?
a. More than needed b. Good growth reserve c. At capacity now d. Cramped capacity now
e. Must expand now
23. How expensive would it be for a new competitor to get into this type of business?
a. Minimal cost b. Moderate cost c. High Cost d. Very High Cost
24. How would you describe the new owner's role, other than normal owner responsibilities?
a. Investor b. Executive/Professional c. Direct Salesperson d. Technician
e. Supervisor f. Tradesperson g. General Worker
25. How would you describe the eye appeal of your business?
a. Extraordinary b. Excellent c. Above average d. Average
e. Below average f. Negative
26. Is the current workforce able to continue day-to-day operations without the current owners?
a. Yes b. Yes, with some management guidance c. Yes, with considerable management guidance
d. No.
27. How many hours per week will a new owner need to apply to the business after they've ramped up?
a. 10 or less b. 11 to 20 c. 21 to 30 d. 31 to 40 e. 41 to 50 f. 51 to 60 g. 61+
28. How long will it take a new owner to ramp up to effectively run this business?

- a. 2 weeks b. 4 weeks c. 8 weeks d. 3 mos e. 6 mos f. 6+ mos

29. How difficult is it to find a person with necessary skills needed to be the new owner?

- a. very easy b. easy c. moderately hard d. hard e. very hard

General Information About Your Business

1. What do you estimate to be the fair market replacement value of the furniture, fixtures, and equipment (include vehicles) used in the business?
\$ _____.

2. How many square feet of space does your business use?

Bldg #1: _____ sf of (leased / owned) space.

Bldg #2: _____ sf of (leased / owned) space.

Bldg #3: _____ sf of (leased / owned) space.

3. Is real estate included in the sale? Yes No

3. If yes, what do you estimate its market value to be? \$ _____

4. If yes, approximately how much land? _____ acres

5. If no, what is the your current monthly total rent? \$_____.

6. What is the expiration month & year of your lease? (mm/yy)
_____ .

7. Is inventory to be included in the sale price? Yes No

8. If yes, how much? \$_____ . If no, approximately how much would purchaser expect to pay for at closing \$ _____ .

9. Are there any significant intangible or intellectual assets included in sale? If yes, approximate value \$ _____ and description
_____ .

10. Is trade name to be included in sale? Yes No

11. Business is organized as: a. Sole Proprietor b. Partnership
c. C Corp d. S Corp e. LLC If entity, formed in which State? _____.

By signature below I confirm that the information provided on this five page Interview Form is correct to the best of my belief and understanding.

Sign

Title

Print

Date