



## COMPASS POINT FAMILY BUSINESS HEALTH ASSESSMENT

▶ The following assessment is designed to evaluate the alignment, preparedness, and effectiveness of your family business. The topics covered here are critical to family business success. Your answers will determine your family business rating. There are no right or wrong answers, only your answers. The assessment will take approximately 10 minutes to complete.

For each statement, circle the button that most nearly describes how strongly you agree or disagree:

**3 = Strongly Agree**

**2 = Agree Somewhat**

**1 = Disagree Somewhat**

**0 = Strongly Disagree**

Have each family member involved in the business take the assessment and compare your scores. This activity begins the discussion of what areas need your focus to bring harmony, alignment, and preparedness back to your family business.

▶ See the last page for details on how to interpret your final score(s) and a valuable next step.



## MISSION/PLANNING

**SCORE**

**1. Our employees know what our business mission/purpose is.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**2. We have a written strategic plan that we are implementing, evaluating, and updating regularly.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**3. There is a written management succession plan for the next generation of the business.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**4. As our business has grown, our profit has risen as well.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**5. We share our dreams and visions for the future and know what each family member wants.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

\_\_\_\_\_

**Score  
Section Total:**

\_\_\_\_\_



## COMMUNICATION/CONFLICT RESOLUTION

**SCORE**

**1. Our family meets several times a year to talk about how things are going.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**2. No deep conflicts in our family have caused family members to cut themselves off from each other.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**3. Our family openly expresses differences of opinion.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**4. We have a clear process for making different types of decisions.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**5. We can resolve major conflicts and differences.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

\_\_\_\_\_

**Score  
Section Total:**

\_\_\_\_\_



## BUSINESS PARTICIPATION

**1. We evaluate clearly and objectively the performance and compensation of family members in the business.**

**SCORE**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**2. Jobs and roles are assigned to family member working in the business regardless of gender or birth order.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**3. Family members feel they are treated fairly in business related matters.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**4. Family employees know where they stand in the business, including limits and opportunities.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

\_\_\_\_\_

**5. Family members in the business have clear responsibilities and roles.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

\_\_\_\_\_

**Score**  
**Section Total:**

\_\_\_\_\_



## OUTSIDE ADVICE

**SCORE**

**1. The head of the business doesn't have to be involved in everything or control everything.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**2. The business is able to hire and retain non-family managers in responsible positions.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**3. We listen to and consider new ideas from our younger generation and outside managers.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

\_\_\_\_\_

**4. We share our planning with non-family members.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**5. Outside advisors meet with us regularly and have been willing to give us "bad news".**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

\_\_\_\_\_

**Score**  
**Section Total:**

\_\_\_\_\_



## GENERATIONAL CONTINUITY

**1. Children have been able to learn about the business from their parents and other family members in the business.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

**SCORE**

\_\_\_\_\_

**2. There has been some discussion and planning for the possible roles of children as they enter the business.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

\_\_\_\_\_

**3. Children have had a chance to work elsewhere and are encouraged to do so.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

\_\_\_\_\_

**4. Children have opportunity to influence the future of the business.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

\_\_\_\_\_

**5. Children feel that the plans for future ownership transition of the business are fair.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

\_\_\_\_\_

**Score**  
**Section Total:**

\_\_\_\_\_



## OUTSIDE THE BUSINESS

**SCORE**

**1. The family spends time together relaxing in non-business activities together.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**2. Our family is active in the community.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**3. Everyone in the family is actively involved in fitness and caring for their health.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**4. Family members in the business have outside hobbies or interests.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**5. We encourage each person in the family to discover his or her own way.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**Score**  
**Section Total:**

\_\_\_\_\_



## RESPONSIBLE OWNERSHIP

SCORE

**1. There is a written Buy-Sell Agreement in place that describes how a stockholder can buy or sell stock, addressing the 5Ds of Life that impact a business transfer: Death, Disability, Distress, Divorce and Disagreement.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**2. There is a written Contingency Plan that outlines what should happen in the case of departure, disability, divorce, or death.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**3. The senior generation has an updated estate plan inclusive of tax strategies.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

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**4. A plan is in place that outlines the financial commitment to the senior generation upon their departure from the business.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

\_\_\_\_\_

**5. The business and shareholders have adequately protected themselves from business risk.**

0 = Strongly Disagree    1 = Agree Somewhat    2 = Disagree Somewhat    3 = Strongly Agree

\_\_\_\_\_

**Score**  
**Section Total:**

\_\_\_\_\_





## ENTER YOUR SECTION SCORES:

1. Mission/Planning \_\_\_\_\_
2. Communication/Conflict Resolution \_\_\_\_\_
3. Business Participation \_\_\_\_\_
4. Outside Advice \_\_\_\_\_
5. Generational Continuity \_\_\_\_\_
6. Outside the Business \_\_\_\_\_
7. Responsible Ownership \_\_\_\_\_

**FINAL SCORE:** \_\_\_\_\_

▶ **Add up your total score and here's what it will tell you:**

**81+** indicates a universal perception that your family and the business are operating in harmony.

**36 to 80** indicates areas of perceived strain in the business and room for improvement.

**35 or less** is signaling a lack of preparedness and/or effectiveness with real strain impacting the business and the family.

▶ **Contact the Compass Point Team** for help in understanding what to do with the results.

Take advantage of a complimentary **30-minute session** for an outside perspective on your numbers:

 <https://calendly.com/tgarrity/30-minutes-with-tom>