



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

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

35 or less indicates a lack of preparedness and effectiveness and some real strain in the business and the family.

36 to 80 indicates some perceived strain in the business and room for improvement.

81 and higher indicates the perception that your family business is doing well.

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

Contact Compass Point Consulting for help in facilitating this assessment or understanding what to do with the results.



1. Mission/Planning

- | | SCORE |
|---|-------|
| 1. Our employees know what our business mission/purpose is. | |
| <input type="radio"/> 0 = Strongly Disagree <input type="radio"/> 1 = Agree Somewhat <input type="radio"/> 2 = Disagree Somewhat <input type="radio"/> 3 = Strongly Agree | _____ |
| 2. We have a written strategic plan that we are implementing, evaluating, and updating regularly. | |
| <input type="radio"/> 0 = Strongly Disagree <input type="radio"/> 1 = Agree Somewhat <input type="radio"/> 2 = Disagree Somewhat <input type="radio"/> 3 = Strongly Agree | _____ |
| 3. There is a written management succession plan for the next generation of the business. | |
| <input type="radio"/> 0 = Strongly Disagree <input type="radio"/> 1 = Agree Somewhat <input type="radio"/> 2 = Disagree Somewhat <input type="radio"/> 3 = Strongly Agree | _____ |
| 4. As our business has grown, our profit has risen as well. | |
| <input type="radio"/> 0 = Strongly Disagree <input type="radio"/> 1 = Agree Somewhat <input type="radio"/> 2 = Disagree Somewhat <input type="radio"/> 3 = Strongly Agree | _____ |
| 5. We share our dreams and visions for the future, and know what each family member wants. | |
| <input type="radio"/> 0 = Strongly Disagree <input type="radio"/> 1 = Agree Somewhat <input type="radio"/> 2 = Disagree Somewhat <input type="radio"/> 3 = Strongly Agree | _____ |
| Section Total = | _____ |



2. 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

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

3. Our family openly expresses differences of opinion.

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

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

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

5. We are able to resolve major conflicts and differences.

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

Section Total =



3. Business Participation

SCORE

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

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

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

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

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

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

Section Total =



4. 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

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

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

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

Section Total =



5. Generational Continuity

SCORE

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 _____

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 plans for the future ownership transition of the business are fair.
 0 = Strongly Disagree 1 = Agree Somewhat 2 = Disagree Somewhat 3 = Strongly Agree _____

Section Total = _____



6. 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

2. Our family is active in the community.

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

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

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

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

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

Section Total =



7. 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 4 D's of transfer: departure, disability, divorce, and death.
 0 = Strongly Disagree 1 = Agree Somewhat 2 = Disagree Somewhat 3 = Strongly Agree _____
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 _____
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 _____
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 _____

Section Total = _____



Log 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 = _____