THE Tobin Group

Solutions to
Enjoy & Protect
Your Life's Work™

QUESTIONS FOR YOU TO CONSIDER
Relating to Employee-Based Buyouts

1. Would you prefer to sell to a third-party or your own employees (or partner)? Do you understand the pros, cons and mechanics of an Employee-Based Buyouts vs. an acquisition? Do your key employees understand how they can buy you out?

2. Would you like to just slow down or make a clean break?

3. What is your ideal timetable—for:
   - Slowing down
   - Granting minority shares to key employees
   - Transferring the management reins and majority control
   - Exiting the business
   - Receiving payouts

4. What is your company worth today? How much will your company be worth when you exit the business?

5. How much money do you need to retire and maintain your desired lifestyle?

6. What can you do to protect and preserve your business equity, income, lifestyle, and assets from vulnerabilities and unforeseen events? Is your equity protected if you become disabled? If you lost a key employee?

7. What can you do to enhance the value of your business—to ensure "top dollar" when you eventually exit? Improve profitability? Acquire or absorb another firm? Lock-in your senior management team?

8. Do you have employees on board who are interested in ownership. Do they have the rainmaking and entrepreneurial skills required for firm leadership?

9. Should any of your key employees be offered equity NOW? Will you bonus the initial shares? Have them invest their own money? Sell them shares at a discount for a note? Offer them stock options?

10. How can you reward, retain, and motivate other key employees to make a long-term commitment to your firm?

11. Do you need to attract additional management, professional or creative talent to your successor team? Do you need to offer them a vested equity package to recruit them?

12. What are the most important steps you can take today to prepare your business for your eventual exit and maximize your future payout (recognizing that you should begin the planning process five to ten years before you plan to exit).