THE FAMILY ENTERPRISE
INITIATIVE SERIES

THE QUICK START ACTION PLAN

- For Family Business Leaders -

Nick Niemann, Esq.
McGrath North Law Firm

Based on our national experience and our affiliations with the country's leading Family Business Strategy, Asset Protection, Business Continuity, Leadership, Succession, Exit and Estate Planning Organizations, we have developed:

The Quick Start Action Plan

Dear Family Business Leaders and Trusted Advisors:

This Plan has been carefully designed to provide Family Business Leaders with the added assurance that you will avoid the 24 "Train Wrecks" that are derailing the lifelong dreams of too many Family Business Leaders.

Through our work with Family Business Leaders from around the country, we've found there are 4 Main Goals that most want to achieve:

- **Profitable Growth**
- **Wealth Protection**
- **Lifestyle Continuity**
- **Personal Freedom**

Family Business Leaders tell us they most want to avoid:

- **"Train Wrecks."**

The top question we find Family Business Leaders ask themselves is: "What do I want to achieve in my lifetime for myself, my family and my colleagues and how can our business help us get there?"

Most of the Family Business Leaders who are introduced to us by their other Trusted Advisors have developed some type of Game Plan—with their Trusted Advisors assistance—geared towards accomplishing certain objectives.

Your family physician will be quick to recommend you should get a "second opinion" from a specialist on critical matters impacting your health care (or perhaps to say its time for a more comprehensive executive physical at the Mayo Clinic).

Likewise, those Trusted Advisors who have their client's best interests in mind don't hesitate to suggest a second opinion (or comprehensive check up) should be sought on critical matters. This will address whether you still have important actions to update or deploy to win the whole game.

This Quick Start Action Plan addresses the 24 Critical Game Plan Actions which our experience shows should be part of a Family Business Game Plan.

These are the actions we evaluate when giving our "Second Opinion" on whether your present Game Plan will achieve the above 4 Main Goals and also best avoid Family Business Train Wrecks - based on your latest objectives, goals and timeline.

One of our guiding principles is: "All plans are firm…until changed." Another principle is "Go for great. Don't wait for perfect." This Quick Start Action Plan puts these principles into practice so you and we can move ahead with speed, clarity and focus.

When you are ready to visit further, we are ready to visit with you.

Sincerely,

Nick Niemann

Chair, Family Business Practice Group
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This is your Action Plan. ☑

Please fill in the questions in this booklet and scan back to me.

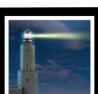
Prepared By: ______________________________

Company: ______________________________

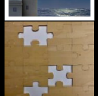
Date: ______________________________

Together with your other Trusted Advisors, we address the answers to . . .

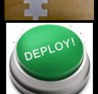
The 3 Key Questions:



1. **Discover**. What will be the probable, almost certain, future outcome of our present course, if left unchanged?



2. **Decide**. What's missing - the presence of which will make a substantial difference in producing a better future outcome?



3. **Deploy**. What do we need to do next to move ahead with speed, clarity and focus to deploy what's missing?

What We Do

We "look into the future" with Family Business Leaders to find, design and deploy what's really needed for you, your family and your colleagues to win the whole game.

Why We Do It

Because we believe in the greatness of the family business dream.

How We Do It

Working with Family Business Leaders and their Trusted Advisors, we find, design and deploy what's missing, the presence of which will make a substantial difference in producing a better future outcome.

What do you want to see? ☑

Family Business Leaders tell us they most want to **achieve**:

- ☐ **Profitable Growth** for our business
- ☐ **Wealth Protection** for what we're building
- ☐ **Lifestyle Continuity** for us and our family
- ☐ **Personal Freedom** on our terms

Family Business Leaders tell us they most want to **avoid**:

- ☐ **"Train Wrecks"**

"Are We A Family Business?" Yes—If Any Of These Apply ☑

- ☐ Presently family owned with a family CEO or President
- ☐ Family owned with a non-family CEO or President
- ☐ Already multi-generation
- ☐ Developing a possible family successor
- ☐ Intend for my family to own in the future
- ☐ In our Company Culture, we see all of our colleagues as family
- ☐ Presently owned by more than one family
- ☐ More than one family member involved in Company Leadership
- ☐ Intend to become multi-generation
- ☐ Family owned now, but could eventually sell to ESOP, outside buyer or employees

Family Businesses = 90% of All U.S. Businesses

(U.S. Bureau of the Census)

Our Family Enterprise and Family Business Programs Apply To All Companies

Small — Middle Market — Large

Invest 24 minutes to sketch your Action Plan.

"Quick Start Action Plan"

Main Goal : Profitable Growth (Your Profit Plan) ☑

Status?

1. Profit Strategy.
You have developed an Active Board of Directors and an internal, dynamic Profit Strategy Team that takes on precisely what you need to do to profitably grow your business.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

2. Pioneer Mindset.
Your Leadership team deploys the "Pioneer Mindset" absolutely needed today for addressing business innovation opportunities, decisions and issues.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

3. Business Model.
Your Leadership team works to overcome the disruptive Business Model, Technology and Demographic realities threatening all companies today.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

4. Company Culture.
You have the right positive Company Culture that drives your Leadership team and builds loyal personal relationships.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

5. Strategic Thinking.
Your Leadership team is trained to use the Strategic Thinking Tools which Companies around the world are using to achieve remarkable innovative growth and to stay successful.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

6. Business Expansion.
Your Leadership team keeps seeking growth opportunities to acquire other businesses, expansion sites and new technology rights and to joint venture with others.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

Main Goal : Wealth Protection (Your Protection Plan) ☑

Status?

1. Business Protected.
You have protected your business expertise, intellectual property, proprietary data and key relationships from being wrongfully taken by competitors, former colleagues and cyber hackers.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

2. Ownership Protected.
You have clear guidelines and funding for the future purchase and sale of co-owner's shares when life's events happen (e.g. retirement, death, disability, dispute, divorce).

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

3. Continuity Protected.
You are set up to avoid disputes between your present and future co-owners by addressing potential conflicts before they develop or erupt.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

4. Team Protected.
You effectively incent and reward the loyalty of your Leadership team who you want to keep working to build their careers with you (rather than with your competitor).

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

5. Stability Protected.
If the present CEO gets hit by the "beer truck", you have a capable successor immediately pre-designated so your Leadership team can move ahead without missing a beat.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

6. Wealth Protected.
You have dealt with the reality that the personal wealth of business leaders is subject to more risks than those not in business.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

Main Goal : Lifestyle Continuity (Your Estate Plan) ☑

Status?

1. Lifestyle Continuity.
You have clear direction and controls as to who receives your Estate (and when) and who will be in charge of your Company and Estate when you can't be.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

2. Bloodline Success.
You have preserved your Family Business and wealth for your family's bloodline opportunities (e.g. business continuity, health, "family bank",entrepreneurship, charitable, and education).

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

3. Family Ownership.
You have allocated future Company ownership (value and control) to the right family members (either by sale, bonus, gift or inheritance).

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

4. Family Peace.
You are set up to avoid Family Business and Estate disputes (such as regarding careers, family employment, compensation, dividends, control and opportunities).

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

5. Family Business.
You are able to buy out Company ownership in the future from family members who shouldn't (or don't want to) remain owners.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

6. No Estate Taxes.
You will avoid Estate Taxes because you have timely deployed the tax planning strategies permitted by law to reduce or eliminate Estate Taxes.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

Main Goal : Personal Freedom (Your Succession/Exit Plan) ☑

Status?

1. Business Value.
You will have enough cash (at the right time) from Company value, cash flow, insurance, recap dividend and sale options to fund your business and family objectives.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

2. Capable Successor.
You are set to accomplish leadership transition to a successor who is fully capable of leading and sticking with your Company into the future.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

3. Always Ready.
You have your Company always in prime condition and structure to be transferred or sold for when you decide to transfer or sell.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

4. Minimize Taxes.
You have timely deployed the Tax Planning Strategies being used by others to minimize your income taxes if you sell the Company.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

5. Internal Transfer.
You have one or more key persons, partners, ESOP or family who can acquire your Company and take it forward with great success, based on acceptable and workable price and terms.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

6. External Sale.
You are positioned to sell your Company at full fair market value to an acceptable outside buyer on very favorable terms.

Priority ? ☐ Low ☐ Mid ☐ High

☐ Yes. Got It. ☐ No. Not Yet. ☐ Get On It. ☐ Get Second Opinion.

Scan and return to Nick Niemann. nniemann@mcgrathnorth.com

FAMILY BUSINESS LEADERS

Results Not Wanted	Results Wanted	Results Achieved By

Your Family Enterprise Game Plan

Your Family Business Game Plan

What Is The Financial + Personal Cost of Being Too Late or Out of Time?

What Is The Financial + Personal Value of Each Great Play Deployed In Time?

Inspired By Excellence. Committed To Your Success.

When we work with Family Business Leaders, we ask about your story and the story of your Family Business. We get to see the heart and soul of America's Family entrepreneurs, that is, America's new breed of Family Business Pioneers.

We get to see your passion and your excellence. We get to see the grit and determination which drive you. We get to see the love and respect you have for your colleagues and for those you serve. In short, we get to see the pioneer spirit which drives you and your team. Just as it has driven me and our team.

For over 60 years we have been working with our nation's food companies, restaurants, farmers and ranchers to feed people better. We have been working with contractors and companies to build better and more affordable homes and new business facilities.

We have been working with technology companies to develop new ideas that improve lives. We have been working with inventors, startup companies and health care providers to develop patented medical devices, leadership teams and joint ventures that save lives. We have been working with energy companies to help fuel our homes and the businesses we all rely on.

We have been working with bankers, key partners, manufacturers, distributors, retailers and transportation companies to finance, produce and deliver better products and services to communities around the world. We have been working with Family Business Pioneers and their other Trusted Advisors to transform, grow, carry on and transition the Family Business Dream, the backbone of our great country.

We have been working with our community leaders to improve our cities and our schools. We have been working with our elected leaders to improve the business climate to create and attract new and better jobs for Families.

For over 60 years, this has been the McGrath North Law Firm.

Working quietly behind the scenes closely with the talented leaders of great organizations around the world to make lives better.

Working together. Working stronger. Working faster. Working better. Overcoming Roadblocks. Avoiding Train Wrecks.

Inspired by Excellence. Committed to your Success.

Our diverse team isn't waiting for the future. We are helping to produce new, incredible, sustainable results right now.

We invite you to join us as we move quickly ahead towards the next 60 years.

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Membership Experience with:
Vistage International Family Business Network
Family Business Advisors Alliance
Family Firm Institute
CEO Space International
Business Enterprise Institute
Exit Planning Institute
Maxwell Leadership
Strategyzer AG
Secret Knock
Havard Virtuous Leadership

Our Vision (Ultimate Goal)

That every Family and Family Business we serve will build a lasting Family Enterprise of generational wealth, leadership, and legacy.

Our Culture & Code of Conduct

- Tenacity—We never give up on Families.
- Respect—We honor both tradition and innovation.
- Trust– We earn and safeguard trust in every relationship.
- Enthusiasm—We bring energy and optimism to every challenge.
- Courage—We face difficult issues with clarity and resolve.
- Generosity—We offer our best ideas and efforts.
- Compassion—We remember that Family is always at the heart.

Our Mission (Why, What and How)

We "look into the future" with Family Business Leaders and your Trusted Advisors to discover, decide and deploy what's missing and still needed for you, your family, and your colleagues to achieve the full greatness of the Family Business Dream.

Our Mission Mindset

- "Begin with the end in mind."
- "Start with simple. Only add what's needed."
- "Go for great. Don't wait for perfect."
- "All plans are firm…until changed."