

## YOUR BUSINESS PLAN

You will now focus on Crisis Preparation and Exit Strategies. It is never too early to begin addressing these important issues, because once you have clarity, it will influence daily business decisions. As with the rest of the Business Plan, periodically review these issues to make adjustments based on changes that inevitably occur.

### CRISIS PREPARATION

## Palmer Software

**The leader or a key person is unable or unwilling to serve.**

Who are the key people in the business?

David Palmer is the CEO, Pedro Gonzales is the VP of Software Development, Adam Palmer is the VP of Operations, Michelle LoCurto is the VP of Sales and Ben LeVan is the VP of Human Resources.

Who would replace them and how well-equipped are they to assume these roles? What needs to be done to prepare for this possibility?

Adam Palmer has an excellent number two person who is ready to assume the role of VP of Operations. Ben LeVan has been training his replacement as the VP of Human Resources. There is no one trained to replace Michelle LoCurto as VP of Sales. Adam is being groomed to replace his father as CEO, but is at least 3 and probably 5 years away from assuming this role.

If the leader or another key person were unable to perform, what would be the financial impact and impact on relationships with customers, vendors, lenders, etc.? What needs to be done to prepare for this crisis?

The founder, David Palmer, has the best relationships with our key customers and lenders, and he has been handing these off to our management team for the past two years. We don't think there would be a major financial impact if he would be unable to perform for the short-term. If he was unable to serve for the long-term, it would damage the company.

## **Natural disaster, major fire, theft, national financial upheaval, hacked systems, or other major crisis**

What disasters could cause the most damage to your business?

(1) Hacking and compromising our software, (2) National financial upheaval would damage the company significantly because we have too much debt, (3) Natural disasters or fire or flooding would cause a disruption, but because we have adequate insurance and out of state backups, it would not be catastrophic.

What should you do to prepare for these disasters or crises?

We have a disaster preparedness team in place and believe we are well positioned or are becoming better positioned to survive a disaster or crisis. Our biggest vulnerability is our excessive debt. What should you do to prepare for these disasters or crises? We have a disaster preparedness team in place and believe we are well positioned or are becoming better positioned to survive a disaster or crisis. Our biggest vulnerability is our excessive debt.

## **EXIT STRATEGY**

If you have decided upon an exit strategy (groom a successor, sell or merge the business, etc.), describe it.

David Palmer and the board of directors have decided on a five-year process to groom Adam Palmer as the successor CEO.

If you have an exit strategy, what preparation have you made or do you need to make to successfully implement it?

An intensive, five-year plan is currently in place to groom Adam Palmer as the successor CEO.

If you do not have an exit strategy for the business or for you personally, describe your plan to design one.

We have one in place.

## CRISIS PREPARATION

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Who are the key people in the business?

Who would replace them and how well-equipped are they to assume these roles? What needs to be done to prepare for this possibility?

If the leader or another key person were unable to perform, what would be the financial impact and impact on relationships with customers, vendors, lenders, etc.? What needs to be done to prepare for this crisis?

### **Natural disaster, major fire, theft, national financial upheaval, hacked systems, or other major crisis**

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What should you do to prepare for these disasters or crises?

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