

The Business Owner Blind Spot Checklist

What High-Performing Companies Still Overlook

Concentration Risk (Revenue, Clients, and People)

How dependent is your business on a few key drivers?

- ☐ More than 25–30% of revenue comes from a small number of clients
- ☐ A single vendor or supplier is critical to operations
- ☐ One or two key employees hold irreplaceable institutional knowledge
- ☐ I have not quantified the financial impact of losing any of the above
- ☐ I do not have formal contingency or transition plans in place

“Phantom Profit” & Cash Flow Illusion

Is profitability translating into usable cash?

- ☐ My business shows strong profits but tight cash flow
- ☐ Significant cash is tied up in receivables, inventory, or reinvestment
- ☐ I rely on lines of credit despite reported profitability
- ☐ I have not analyzed true “owner free cash flow”
- ☐ I have not stress-tested liquidity during rapid growth phases

Owner Dependency Risk

Could the business operate without you for 90 days?

- ☐ Key decisions still require my direct involvement
- ☐ Client relationships are heavily tied to me personally
- ☐ I have not documented decision-making frameworks or delegation structures
- ☐ Revenue would likely decline if I stepped away unexpectedly
- ☐ I have not tested operational independence

Benefit Plan Inefficiencies (Beyond Offering a 401(k))

Is your plan optimized or just in place?

- ☐ I have not reviewed plan design for tax efficiency in recent years
- ☐ I may be over-contributing relative to strategic goals or underutilizing options
- ☐ I have not explored advanced plan designs (e.g., profit-sharing, cash balance)
- ☐ My plan may not effectively reward or retain key employees
- ☐ I have not benchmarked plan costs, participation, or outcomes

Hidden Tax Inefficiencies

Are you leaving strategic tax opportunities on the table?

- ☐ I primarily focus on minimizing taxes year-to-year vs. multi-year strategy
- ☐ I have not modeled tax impact of a future sale or liquidity event
- ☐ I have not evaluated timing strategies for income recognition
- ☐ My entity structure hasn't been revisited as the business scaled
- ☐ I have not coordinated tax strategy with investment or exit planning

Growth That Outpaces Financial Infrastructure

Has your back office kept up with your front-end success?

- ☐ Financial reporting lacks real-time or decision-useful insights
- ☐ Forecasting is limited or not integrated into decision-making
- ☐ I do not have clear visibility into unit economics at scale
- ☐ Capital allocation decisions are made without structured frameworks
- ☐ I have not upgraded financial leadership (CFO-level insight) as we've grown

Equity & Exit Misalignment

Are your business and personal goals truly aligned?

- ☐ A large portion of my net worth is tied to the business
- ☐ I do not have a clear timeline or structure for liquidity
- ☐ I have not explored partial liquidity, recapitalization, or diversification strategies
- ☐ My personal financial plan is not fully integrated with my business strategy
- ☐ I have not pressure-tested my exit assumptions

Key Employee Retention Risk (Beyond Salary)

Are your top people financially aligned with the business?

- ☐ I rely heavily on a small group of high-impact employees
- ☐ I do not have long-term incentive or retention structures in place
- ☐ Compensation is primarily salary/bonus-based
- ☐ I have not explored deferred comp, equity-like incentives, or retention plans
- ☐ Losing a key employee would materially impact growth

Insurance Gaps at Scale

Has your coverage evolved with your business complexity?

- ☐ Key person coverage may not reflect current business value
- ☐ I have not reassessed coverage in light of growth or new risks
- ☐ I do not have coverage aligned with succession or buy-sell planning
- ☐ Personal and business risk exposures may overlap or create gaps
- ☐ I have not reviewed policies in coordination with overall financial strategy

Final Reflection

If several of these prompted a pause or "I'm not sure," you're not alone, these are often the areas that don't get addressed until they become urgent.

A coordinated review across business strategy, personal financial planning, and risk management can help uncover opportunities and align your business with long-term goals.



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