SGR
ADVISORY

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OWNER DEPENDENCE SELF-RATING

Six places a business can depend on its owner more than a buyer, a lender, or a successor would like. Rate each one honestly and see where you stand.

How to use it

For each dimension, read the two descriptions. Circle the number that is closest to your business today: 1 means the business could carry on without you in that area, 5 means it could not. Between them, pick the number that feels honest, not the one you hope for. Then total the six.

1. Decision concentration

1 · Could carry on without me	circle one	5 · Could not
Managers make pricing, hiring, and spending decisions inside limits you set, and you hear about them afterward.	1 2 3 4 5	Nothing over a small threshold moves without you. You sign off on pricing, hiring, and every bid that matters.

2. Customer relationships

1 · Could carry on without me	circle one	5 · Could not
Every major account has a named team. Customers call them, not you, and would keep calling them if you were gone.	1 2 3 4 5	Your top customers are personal to you. If you left, the relationship would leave with you.

3. Knowledge concentration

1 · Could carry on without me	circle one	5 · Could not
How you price, estimate, and deliver the work is written down and used by other people every day.	1 2 3 4 5	The know-how that wins and prices the work lives in your head. Nobody else could quote a job the way you do.

4. Leadership bench

1 · Could carry on without me	circle one	5 · Could not
A credible second-in-command could run the business for ninety days without calling you.	1 2 3 4 5	There is no second chair. On anything that matters, the team waits for you.

5. Key-person retention

1 · Could carry on without me	circle one	5 · Could not
The two or three people the business cannot lose have a reason to stay that would survive a change of ownership.	1 2 3 4 5	Those people have no retention agreement, no equity, and no plan. At least one is a flight risk.

6. Supplier and vendor ties

1 · Could carry on without me	circle one	5 · Could not
Your key supplier terms are contractual and would transfer to a new owner intact.	1 2 3 4 5	Your best terms rest on your personal relationship with the supplier and would not survive without you.

YOUR RATING

Total the six numbers. The range is 6 to 30.

Total	Dependence	What it usually means
6 to 10	Low	The business runs on systems and people, not on you. Rare, and worth protecting as you grow.
11 to 15	Moderate	You are still in the middle of a few things. Fixable in months, not years, and usually with a plan rather than a hire.
16 to 20	Elevated	The business would wobble without you. A buyer, a lender, or a successor will notice, and it caps what the business can do without you in the room.
21 to 25	High	The business is you. Growth stalls at the limit of your hours, and a sale would be discounted, retraded, or pushed into an earnout.
26 to 30	Severe	Nothing of value transfers without you attached to it. This is where owners find out during diligence what they could have fixed two years earlier.

Read it two ways

By total. The band tells you how much of the enterprise value is really you. Buyers price that in; so do lenders and, in a different way, so do the people who work for you.

By dimension. Any single 4 or 5 is a risk on its own, whatever the total. Two of them in customer relationships and knowledge concentration together is the pattern that costs the most at a sale, because it is the commercial engine, and it is the slowest to transfer.

The usual fixes, in the order they pay off

Put a named team on the top customers so the relationships transfer with the business. Write down how the work is priced and estimated so it survives you. Develop or hire a real second-in-command. Put retention hooks on the two or three people you cannot lose. Move supplier terms from a handshake to a contract. Then push decision limits down, one level at a time.

> **What to do with it**
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> If you are in the early days and the total surprised you, **The Huddle** is the right first step: $350 a month, two calls a month with a fractional HR advisor, for exactly this kind of untangling. If a sale is one to three years out and you scored Elevated or above, ask about the **Pre-Sale Owner Dependency Analysis**, the full eight-dimension assessment run with your own data, so you find out before a buyer does. Either way, 30 minutes on my calendar is free, and I will tell you which one you actually need.
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