

Profitability Decision Making Worksheet

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Making profitability a normal part of discussions amongst family members is an important aspect of creating healthy decision making around this matter. Below is an example of a big picture discussion that family stakeholders might engage in around profitability decision making. A blank worksheet is included on the next page as a tool to help guide your family's discussion.

Factors	Internal Decision Guidance	Illustration	
Profit			\$5,000,000
Income Taxes	20% to 40% of profit	\$1,250,000	
Debt Service	Per Terms of Bank Agreement	\$750,000	
Maintenance Reinvestment	10% to 15% of profit	\$625,000	
Strategic Reinvestment	Per Strategic Plan	\$800,000	
Dividends	Targeted Minimum Annually	\$750,000	
Equity Redemption Fund	10% of profit	\$500,000	
Philanthropy	2.5% to 5.0% of profit	\$150,000	
Total Uses of Profit			\$4,825,000
Change to Reserves			\$175,000

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Philanthropy			
Total Uses of Profit			
Change to Reserves			

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