

The Business Owner Capital Map

A framework for organizing capital across three tiers — mapped to your time horizon and business phase.

Most business owners don't have a capital strategy. They have a collection of accounts.

Cash in a sweep account earning almost nothing. Retirement funds in a plan they set up a decade ago. An investment account someone suggested. The business itself — the single largest asset — sitting outside every financial plan they've ever been shown.

The Capital Map gives every dollar a job.

It organizes capital into three tiers based on time horizon and purpose — not product, not provider, not past habit. The framework is simple. The clarity it creates is not.

This is not a brochure. It's a working tool.

Use it to audit where your capital sits today, identify what's misallocated, and decide what to do about it.

Three Tiers. Three Time Horizons.

Every dollar you control belongs in one of these tiers. The discipline is putting it in the right one.

TIER 3 · 5+ YEARS

Growth Capital

Long-term wealth building. This is where risk gets rewarded — but only if Tiers 1 and 2 are funded first. Patience is the edge.

BELONGS HERE

- Diversified equity portfolios
- Long-term real estate
- Alternative investments
- Deferred compensation

DOES NOT BELONG

- Emergency reserves
- Next year's tax payment
- Operating cash flow
- Money needed within 5 years

TIER 2 · 1–5 YEARS

Safety Capital

Preservation and stability. Money you'll need in the medium term — tax obligations, planned purchases, bridge funding. Growth is secondary to access.

BELONGS HERE

- Treasury / short-duration bonds
- CDs and structured deposits
- Tax reserves
- Planned capital expenditures

DOES NOT BELONG

- Speculative equities
- Illiquid investments
- Venture or PE commitments
- Long-term retirement assets

TIER 1 · 0–12 MONTHS

Operating Capital

Liquidity and protection. Cash you need access to now. This is the foundation — it must be funded before anything else matters.

BELONGS HERE

- Operating cash reserves
- Payroll and overhead coverage
- Emergency fund (personal)
- Insurance premiums

DOES NOT BELONG

- Growth investments
- Illiquid assets
- Concentrated equity positions
- Long-term retirement funds

THE WORKING TOOL

Map Your Capital

List your assets and accounts in the tier where they currently sit. Then ask: is this the right tier?

TIER 3: GROWTH CAPITAL · 5+ YEARS

Account / Asset	Approximate Value	Right Tier? (Y/N)

TIER 2: SAFETY CAPITAL · 1-5 YEARS

Account / Asset	Approximate Value	Right Tier? (Y/N)

TIER 1: OPERATING CAPITAL · 0-12 MONTHS

Account / Asset	Approximate Value	Right Tier? (Y/N)

If most of your "Right Tier?" answers are No, your capital is misallocated — and that's the conversation to have next.

BEYOND THE THREE TIERS

Six Questions Worth Asking

The Capital Map organizes where your money sits. These six questions audit what could go wrong.

01 · INCOME PROTECTION

If you couldn't work for six months, what happens to your income — and to the business?

02 · PERSONAL EXPOSURE

How many personal guarantees have you signed? When did you last review them?

03 · CASH EFFICIENCY

What is your idle cash earning right now — and what should it be earning?

04 · PARTNER CONTINUITY

If your partner died tomorrow, could you fund the buyout the agreement requires?

05 · RETIREMENT INDEPENDENCE

If the business sale fell through, do you have a retirement plan that works without it?

06 · ESTATE LIQUIDITY

How would your estate pay a seven-figure tax bill within nine months — without selling the business at a discount?

If you answered confidently on all six, your planning is ahead of most owners.

If any of them gave you pause, that's where the real work starts.

If this raised more questions than it answered — that's the point.

The Capital Map is a starting point, not a solution.
The six questions are a diagnostic, not a prescription.

The next step is a conversation with someone who can look
at the whole picture — not just one account, one policy,
or one tax return — and help you build the coordinated
strategy that each of these pieces is waiting for.

*Most owners hire vendors.
The owners who keep what they build assemble coordinated teams.*

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This document is a planning discussion tool and does not constitute financial, tax, or legal advice.
Consult qualified professionals before implementing any strategies discussed.

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