

# **SUCCESSION PLAN FOR YOUR BUSINESS**

**Business skills are a gift from God. Use your skills wisely.**

**Be seriously committed to having a *business succession plan*.**

**Assemble an *Advisory Team*:**

1. Financial Planning Professional
2. Christian Family Counselor
3. CPA – Tax Advisor
4. Business Attorney

**Obtain a fair market *valuation* (FMV) for your business**

**Review your business *options* (advantages and disadvantages):**

1. Gift to your children
2. Sell to your children
3. Sell to other owners
4. Sell to employees
5. Sell to independent 3<sup>rd</sup> party
6. Liquidate

**Develop a *Succession Plan or Exit Plan***

**Prepare *Legal Documents***

**Continue to create *business value through key employees*:**

1. Consider keeping good employees through ownership
2. Motivate and retain key employees without stock ownership

**Include your *spouse in ALL phases* of the Succession or Exit Plan**

# SUCCESSION PLANNING OUTLINE

## 1.0 REVIEW SUCCESSION PLANNING

- A. Prayerfully discuss succession planning with your Wife
- B. Select Financial Advisor as team leader
  - (1) Review All Possibilities with your Wife and Financial Advisor

## 2.0 ESTABLISH VALUE OF BUSINESS

## 3.0 BASIC BUSINESS DECISIONS

- A. Liquidate Business
  - (1) Determine when to liquidate
- B. Gift or Sell to Family
  - (1) How & When
  - (2) Schedule family meetings
- C. Sell to Employees
  - (1) How & When
- D. Sell to Outside Buyer
  - (1) How & When

## 4.0 REVIEW ALL SUCCESSION STRATEGIES WITH FINANCIAL ADVISOR

## 5.0 MEETING WITH FINANCIAL ADVISOR & ACCOUNTANT

## 6.0 MEETING WITH FINANCIAL ADVISOR & BUSINESS ATTORNEY

## 7.0 MEETING WITH FINANCIAL ADVISOR, ACCOUNTANT & ATTORNEY

## 8.0 COMPLETE SUCCESSION AGREEMENT WITH BUSINESS ATTORNEY

## 9.0 FUND SUCCESSION PLAN WITH INSURANCE THROUGH FINANCIAL ADVISOR

## 10.0 RELAX AND ENJOY LIFE

# THE BUSINESS SUCCESSION PLANNING PROCESS

It's simple to start!

1. Meet with an experience financial advisor. He will help you through the initial phase of deciding what you can or can not do, according to your desires and your company's sustainability.
2. A financial advisor will help you and your wife with the decision making process. Essentially, you will decide one of these three options for your business succession plan:
  - **Liquidate** the business – either now, or at some future date
  - **Gift** the business – to your children, quickly or over a longer period of time
  - **Sell** the business – whether this is planned or unplanned
3. The next step simply involves reviewing the summary explanations and deciding what methods to employ. You will also need to start the valuation process then your financial advisor will help you establish the first joint meeting with your accountant and business attorney.
4. **The final step is essential:** fund the succession plan with cash or insurance with help from your financial advisor.