



As an owner, you put in the hours, take the risk, and endure the sacrifices to create a successful business that will hopefully last a long time. For many, their business is their retirement whether continuing to pay income or providing proceeds through some type of transition. To protect the business and the owner's retirement, one of the most important decisions for a business owner is implementing a business succession plan.

What is a business succession plan?

The true definition is an exit strategy for a business owner. Unfortunately, many owners wait until they are close to the point of exit to begin planning. A good succession plan is a guide for the owner through all their years operating a business to help them reach a point where they want/need the business to be in order to exit. The plan is not a stale written document but instead an evolving process to keep the goals in focus as the dynamics of the business. The plan protects the owner, the family, the employees, the customers, and all the stakeholders in the business.

When should an owner develop their succession plan?

As soon as they open their business. Working without a succession plan can invite disruption, uncertainty, and conflict. A family owned business is more susceptible to emotional stresses as separating family issues & business issues are difficult, but even a business which does not involve family ties face critical decisions that could financially hurt an owner without a well designed business succession plan.

Why should an owner implement or review their plan?

As a business owner, if you answer "no" to any of these questions, understand you are not alone and are a candidate for succession planning.

1. Have you defined your personal goals and a vision for the transfer of ownership and management of the company?
2. Do you have an identified successor in place?
3. If applicable, have you resolved the family issues that often accompany leadership and ownership decisions?
4. Does your plan include a strategy to reduce estate taxes?
5. Will there be sufficient liquidity to avoid the forced sale of the business?
6. If succession will one day require the transfer of assets, have you executed a "buy-sell" agreement that details the process ahead of time?
7. Is there a detailed contingency plan in case the business owner dies or becomes unable to continue working sooner than anticipate?
8. Have you identified and considered alternative corporate structures or stock-transfer techniques that might help the company achieve its succession goals?
9. Have you determined whether you or anyone else will depend upon the business to meet retirement cash flow needs?
10. Have you recently had the business valued and analyzed in the same way potential buyers and competitors would?

Other business services we offer:

1. Business Succession Valuation Strategies
2. Key Man Insurance
3. Group Disability
4. Retirement Plans
5. Financial Wellness Courses
6. Owner Financial Planning

Why should you as a business owner work with Highland Trust Partners?

Just like you, we are business owners and we understand the importance of implementing a business succession plan. We know all situations are unique and we have the experience to ensure your plan is designed appropriately for your business. We work closely with your trusted professionals (CPAs, attorneys, insurance agents, bankers, etc.) to formulate your team of advisors. We are a fee only planning firm assuring you receive agnostic, accurate, and comprehensive advice.

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