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Exit Planning for Business Owners

Following are a few key questions for business owners to ponder as we begin a New Year and start planning for the future:

1. ***Who will operate your business should the unexpected happen and you are no longer able?*** Business owners are good about estate planning but bad about planning for disability, yet studies show that disability affects more business owners than does death.
2. ***If you have an “heir apparent”, does that person and everyone else in the organization know your succession plan?*** Entrepreneurs tend to think that kind of information need not be shared until some time in the future.
3. ***Do you have a written game plan?*** You may have a plan well formulated in your head but it’s gone when you are in a coma, or worse yet, gone. Write it down and share the plan with your spouse and your designated successor.
4. ***Is there sufficient insurance to support your family and the business in your absence?*** Too often the insurance proceeds do not cover the company’s need for un-going capitalization.
5. ***Will disability or death trigger a call on outstanding loans? If so, how will the loans be paid?*** Many companies have been put out of business because new management lacked sufficient resources to support the loans.
6. ***Is your estate plan up-to-date?*** Estate plans should be reviewed regularly and kept current.

Additional Questions for Multiple Owners:

- Is your buy/sell agreement current and unique to your situation – not boilerplate?
- Have you done pro-active planning?
- Do you have a written agreement in place for valuing the business and setting terms for a buyout?

- Do you have a team of expert advisors experienced in exit planning and transactions?

If you have questions or comments, or would like to schedule an appointment, please contact Lou Kastelic at 301-230-0034 or lou@crandus.com. Jordan-Crandus, P.A. has more than three decades of experience in exit planning, representation of business buyers and sellers, and business appraisals.

Featured Business Available for Acquisition

Chemical manufacturing producing products used by state governments as well as the federal government. The company's production facility is strategically located for easy shipping anywhere.

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