

# THE EXIT PLANNING REVIEW™

Issue 268

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## My Lawyer Told Me Not To Do It

Has your lawyer, CPA, financial advisor or insurance professional told you that you should not even think of transferring your business to your child or key employees? Do you want to do it anyway?

See how fictional owner, Dennis Brandenton, handled that situation.

### Case Study

*When Dennis Brandenton called his accountant to complain about his attorney's warning not to consider a transfer to his child and key employees, his accountant immediately initiated the business Exit Planning Process.*

*As an advisor skilled in Exit Planning, Dennis's accountant probed not only Dennis's choice of successors, but also asked Dennis the first questions every owner must answer when thinking about departure:*

- *When do you want to leave?*
- *How much income or money will you want or need when you leave?*
- *What do you want to do for your key employees and for your other children?*

*The accountant quickly involved Dennis's other advisors (insurance professional, attorney, and financial planner) to begin to assess the financial resources available to Dennis.*

*Dennis soon realized that it is one thing to design a business exit via a transfer to a management team; it is quite another to ensure that his financial objectives would be met in the process.*

*Once Dennis defined his financial objectives, his Advisor Team could determine the size of the gap between his existing financial resources (both personal and business) and the amount of cash he could expect from a transfer of his business to his desired successors. Only then could Dennis's Advisor Team determine whether Dennis could transfer his company to the successor he chose.*

Like all owners, Dennis had to ask and answer the three basic Exit Planning Questions to determine if he could exit his business in the way he wanted.

Dennis wanted to transfer his business to a management team that included one of his children. Rather than immediately pursue that particular objective, it was critical for Dennis to step back to see if that type of transfer would satisfy his other exit goals and objectives.

- Would a transfer to his management team allow him to leave on his timetable?
- Would such a transfer yield the amount of cash he needed to attain his financial objectives?
- If not, were there other paths that would allow Dennis to leave at or before his chosen departure date, with more money, or perhaps, greater benefit to his family?

These questions (and others more specific to each owner's situation) require careful consideration before

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### PREPARING FOR THE ULTIMATE EVENT

Wednesday, November 20, 2013  
Drexel University - Baiada Institute  
Symposium for Business Owners  
Gerri C. Lebow Hall  
3220 Market St., Phila PA 19104  
8-11:45am

Cost: \$100 General or Drexel Alum  
\$75  
[baiadainstitute.com/calendar to register](http://baiadainstitute.com/calendar/register)

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charging ahead.

Beginning an orderly consideration of your exit objectives today can help to save you time, money and grief. Better still, it can help change the answer to the question, "Can you help me leave my company to the successor I choose?" from "Maybe" to "Yes."

This is an important, yet involved, topic. Please contact me to discuss many of the issues involved with an insider sale.

*Subsequent issues of The Exit Planning Review™ provide balanced and advertising-free information about all aspects of Exit Planning. We have newsletter articles and detailed White Papers related to this and other Exit Planning topics. If you have any questions or want additional Exit Planning information, please contact us.*

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