



Business Protection and Succession

Clear strategies to maintain business value and provide the life you want for your family, whatever happens.

As a family owned business ourselves we get that your business is something that you've worked hard to build. Owning and running a business is a huge commitment, we understand that there's a lot of stress and heartache involved in building something up over the years. We get that the family home is normally on the line, and that you don't like it!

What this strategy guide is about is making sure that the value of your business is maintained and

your family is taken care of, if something were to happen to you.

We take a different approach to business advice compared to most financial advisers. We look at your business and your family as one unit, as they are typically reliant on each other. We want to make it easy for an eventual wealth transfer from your business to your family, and make sure that your family assets are set up right so they're not caught up in the business.

1

One team, one dream

We are big believers in the "one team" approach. Your team of advisers should all be on the same page – your Accountant, Lawyers, Estate Planners, Insurance, Investment, Debt. Getting everyone working together towards your goals gives you the comfort that you know they're working for you, and all pulling in the same direction.

2

Setting up your business for your exit

It seems a strange concept to set up your business for your exit, but eventually you are going to want out and by putting in place a plan, it can greatly increase your chances of success and maximising your business value. To us, a business is just a set of processes (or at least good businesses are!), so by setting up great processes that run your business, it greatly enhances the value to potential buyers.

3

Setting up your business for your exit – suddenly!

Of course, you can get your business setup perfectly for sale over time, but what if something comes along that means you have to sell urgently?

The most common one is suffering a major illness or accident, and being unable, or not wanting to keep the business running.

A buy-sell agreement is a great solution, as it provides to certainty of who you are going to sell too, for a determined price. For businesses with two or more shareholders, this will be between the shareholders. Otherwise, it might be with a key supplier, customer or employee/s.

Funding is the next key issue, and this is where insurance can come in to provide the funds so that you and your family can get on with life, and the business can get on with business.

4

Getting rid of the banks claws

Because businesses are so tied in with family assets, generally the bank, lessor, or trade accounts are always secured by personal guarantees.

What does this really mean?

The family home is on the line. So if you die or become disabled, and the business can't pay its debts, they can come after the family assets. Not ideal!

What we can do is put insurance in place so that if you aren't there these debts are repaid and the personal guarantees are done and dusted.

5

Keep the money coming in

What would your business look like if you weren't there? What sort of impact would this have on the revenue or gross profit? In business terms, you're a "key person", or perhaps someone else in your business is.

We can put in place a plan so that if you pass away or become disabled that revenue is replaced and the business can keep working while you're away. Perhaps this props it up while it's getting ready for sale, or ready for your return to work – whatever you need.