

BUSINESS SUCCESSION PLAN CONSIDERATIONS

What are the goals in transitioning my business?

- Retirement/Family goals and needs?
- Outcome for employees?
- Timeline to reach goals? (give yourself plenty of time)
- Potential Resources: CPA, Lawyer, Banker, and/or Insurance Agent

Business Transition Options – Which is best for my goals?

- Sale of the Business
 - Sale to Partners or Management
 - Sale to Employees
 - Sale to Third-Party – Competitor or Investor?
- Gifting the Business to Family Members or Employees
- Employee Stock Ownership Plan / Worker Cooperative
- Wind-down & Liquidation

Preparing for Transition

- Prepare a few years of credible financial statements (e.g. CPA audited, reviewed, or compiled statements)
- Know your numbers and key performance indicators
- Update corporate records, and federal, state, and local corporate filings
- Review permit and license transition requirements
- Document internal processes and controls
- Resolve any actual or potential lawsuits, lien issues, or tax issues regarding the business, real estate, or other property
- Consider a valuation of the business and/or its assets
- Review your estate, life insurance, and tax plan

Transition of the Business

- Structuring the transition (e.g. in a sale of the business - asset sale or stock sale?)
- Consulting or employment agreement post-transition?
- Consider a lease agreement for any real estate with purchaser?
- Consider tax and estate plan implications of the transition structure.

To read more about succession planning: wvceo.org/succession