

3 Key Paths for your Business Transition



BALENTINE



The transition of your business is likely the largest financial decision you will make during your lifetime. The insights you gain from experienced professionals will save you time, money, and heartache. While the issues will become more complex and technical as you go through the process, below we have listed five questions to help you get started on your journey.

Balentine is committed to helping you grow, transition, and protect the business you have built.

Transition decisions may feel like choosing between three doors. Door #1 is **Keep the Business**, Door #2 is **Sell the Business** and Door #3 is **Sell to an ESOP**. Different professionals have different experience and motives to encourage you toward one door or the other. Our experience has been that business owners are strong decision-makers, and rather than encouraging them toward one outcome, our approach is to provide the information, and pros and cons of each option to help entrepreneurs in making this meaningful decision.

We know from client surveys and common sense that objective advice is the #1 attribute business owners seek in a primary advisor. They seek a team of professionals who help you objectively view all options from your lens and objectives.

In the end, there are only a limited number of options with pros, cons, and math (financial implications) behind each. Once you understand them, you can develop the confidence and control you need to determine the best option for you.

At Balentine, we offer objective advice, experience, and technical knowledge to ensure you take a holistic approach. We can provide countless anecdotal stories as to what other business owner families have done and nuances as to why it aligned with their business and personal goals.

We help you evaluate your financial situation and family dynamics on a before and after basis. By fast-forwarding to your new world on the other side of each option, you will have the confidence to know what option is best for you. **It starts by exploring 5 key questions.**

5 Key Questions to Simplify the Complexity of Your Business Transition

1. What is next for my business?

For both your business and family, there are crucial financial and emotional goals to understand before you make this important decision. We help you unlock opportunities you would not have otherwise considered, and carefully weigh the pros, cons, and math (financial implications) of your ownership transition. You will quickly see how each option impacts your financial and personal planning objectives.

2. When is the right time to transition my business?

Irrespective of your keep vs. sell decision, you want to put the company in the best position to compete long term. We recommend that you start as early as possible, ideally five or more years before your transition. Key areas that require your consideration are Economic, Industry and company business cycles, your competitive position, the attractiveness and readiness of your business and personal planning, and the timing of your exit on your terms. Family, management, and other shareholders may impact the timing of your transition.

3. What's my business worth?

Regardless of your Keep vs. Sell decision, you need to know the value of the business. Shareholder value is ultimately linked to the competitive position and attractiveness and readiness of the business. Identifying gaps early and showing a track record to close those gaps will enhance its value and make a transition on your terms easier to execute.

Taking a holistic approach may help you strategically position your overall wealth plan to ensure you take advantage of the various valuations you may encounter (estate, financial and strategic). The structure and terms of the deal may be more important than the gross value. The process may also pinpoint valuation drivers to enhance the value of your business and its competitive position.

4. Who will receive the wealth generated?

Think in terms of the four key beneficiaries of your wealth—Family—Employees—Charities and the IRS. Most clients believe “charity begins at home”, but once that is achieved, they would prefer to find ways to redirect dollars from the IRS to Charities and Employees.

Ensuring financial independence for you and your heirs is paramount. We help you view the planning as a macro, multi-generational family financial plan (balance sheet, cash flow, liquidity, risks, tax consequences, asset protection, etc.). From there, we can help you customize a plan to redirect tax dollars to employees and your favorite charities.

5. How should I communicate the transition?

The key to any strategic plan is the communication strategy — one that is well supported with financial and legal documentation. Developing a strategic plan, formulating a succession plan, creating a retirement and estate plan, and resolving conflicts among shareholders or family members are keys to success. However, this requires an integrated financial blueprint and the coordination of a team of specialists.

Balentine can join you with the communication strategy each step of the way so that your transition plan is as efficient, seamless, and harmonious as possible.

Ready To Get Started?

At Balentine, we focus on combining a deep understanding of your business and personal goals with coaching you on what each option (door) means for you. Once you come to better understand the opportunities that await you behind each door, you can confidently control the process with your team and family. To learn more about how we can bring ideas, insight, and solutions to you, please contact your Balentine Relationship Manager to set up a no-obligation discovery meeting.