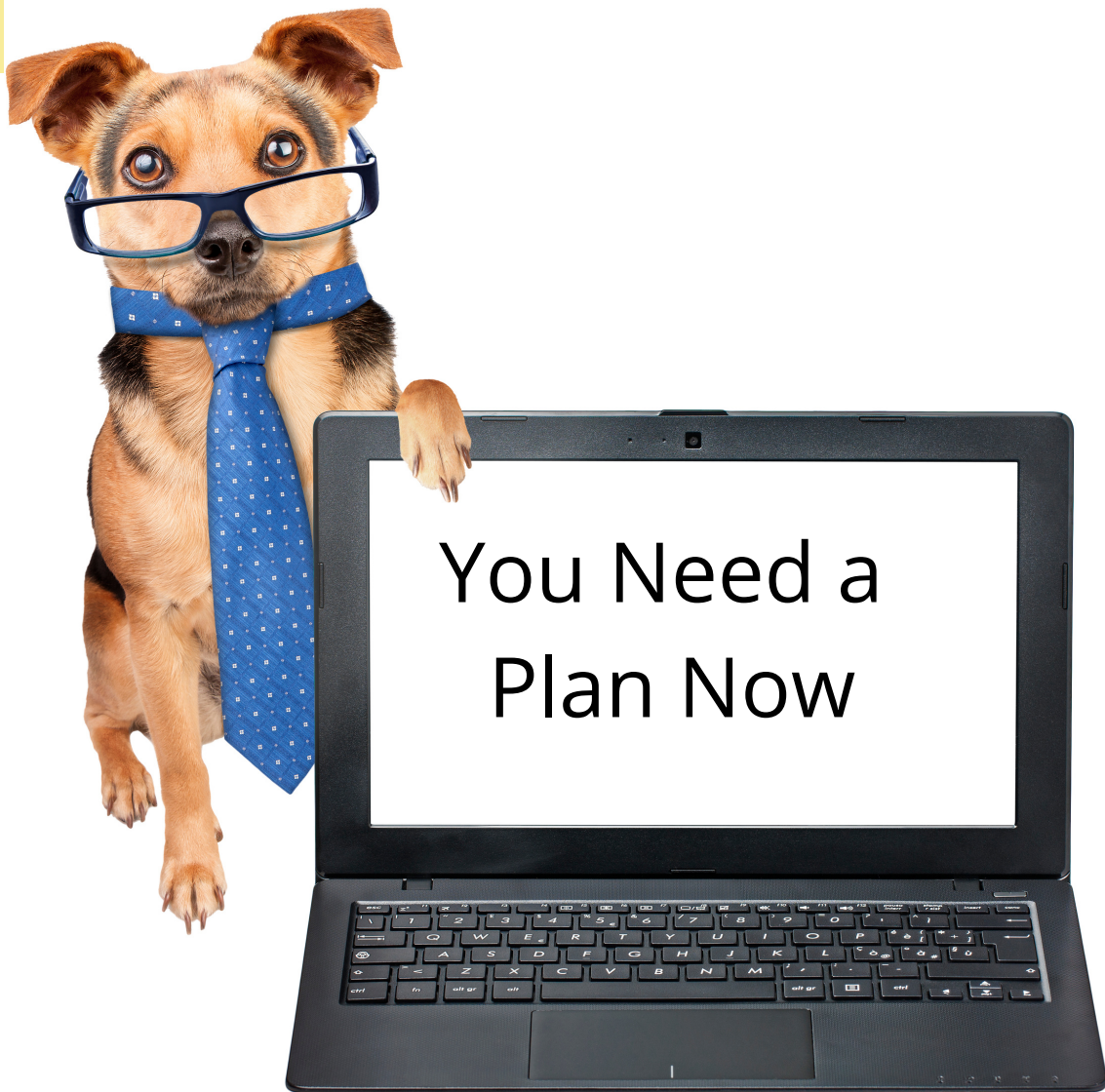


# RETIREMENT PLAN

## PLANNING FOR EXITING YOUR BUSINESS





# YOU NEED AN EXIT PLAN

If you are like most business owners, you probably do not want to be running your business until the day you die. If you want to exit your business, you need to start planning now. Planning ahead will ensure a smooth transitions and that you have money to enjoy in your retirement years. You need to plan for whether or not your business will continue. If so, who will run the business? How will you get paid for your business?





# TRANSFER OPTIONS

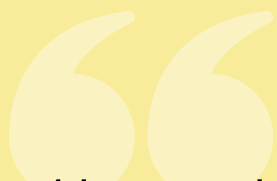
As a business owner, (like employees and everyone else) you want to make sure you will have enough money in retirement. Business owners recognize the value of their businesses. So, they are often tempted to reinvest everything into the enterprise. By doing this, you think that this be your "retirement plan." However, this might be a mistake.

Many business owners dream of a financially lucrative "exit" when a business is sold, taken public, or otherwise transferred at a significant profit for the owner. This does not happen by accident. A business owner must first create and sustain a profitable enterprise that can be sold.

Then, you must coordinate legal and tax strategies to minimize the burdensome hit of taxes. You need to avoid the common legal risks that can happen when businesses are sold. When a business is sold, the net proceeds can form a significant component of the owner's retirement

On the other hand, other businesses are "family" businesses where children or grandchildren will one day become owners. Clearly thinking through the transition plan to the next generation is essential.

Maybe you want your employees to gradually buy you out of the business.



*Always do your best.  
What you plant now,  
you will harvest later.  
-Og Mandino*



# SALE TO A THIRD PARTY OPTION

## Benefits:

- You receive cash at the closing
- You do not have to finance the transaction;
- No family succession issues;
- Faster closing

## Con :

Business must be worth your asking price



"QUALITY PERFORMANCE STARTS WITH  
A POSITIVE ATTITUDE." -JEFFREY  
GITOMER





# TRANSFER TO A FAMILY MEMBER OPTION

## Pros

- Allows Your Family to continue your legacy
- You can gift your business to your family members using your life time exclusion amount

## Cons

- kids may not want the business
- Family member may not be the best choice for owning the business



*A leader's lasting value is measured by succession.*

*John C. Maxwell*





## Transfer to Employee Option

1. Either a Management Buyout or through Employee Stock Ownership Plan (ESOP)
2. More Flexible Sale Terms; More Confidential and More Flexible
3. You can remain in the business

“

If everyone is moving forward together, then success takes care of itself.

—Henry Ford





# PREPLAN

## Exit Timeline

When do you want to exit your business? When will you start exiting the business

## How Will You Exit Your Business?

Are you going to sell? If so, to whom? Are you going to pass onto family members? Do you want to remain in the business or have some control?



## Conclusion and Next Steps

Start planning your exit strategy now. Begin figuring out whether you want to sell your business. If so, are you going to sell to a third party or to your employees?

If you are thinking about selling to employees or gifting to family members, start a plan for when you will bring them into the business. When will you introduce them to customers/clients? Will they start at the top or will you slowly move them up the chain of command?



*Thank you!*

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