

Here is a list of questions for any owner of a closely-held business. If you cannot answer these questions, or do not like the answers you come up with, then you may want to consider a formal succession plan for your business.

1. Do you know when you plan to retire? Are you on track to retire at that age?
2. How much income do you need to be secure in your retirement? How much do you want?
3. Would you get that much income from the sale of the business? Would you get that much if you passed the business on to the next generation?
4. Is your family dependent on your business for income?
5. Will your business continue on even if you don't?
6. Do you have a buy-sell agreement in place with other owners?
7. Are the other owners required to purchase your interest at your death, or simply permitted to?
8. Will the other owners pay your family a fair price for your interest in the business?
9. How is the buy-sell agreement funded? Can the other owner's afford to buy you out?
10. Do you know how much your business is worth? Do you know how it is valued? Book Value? Share Value? Appraisal?
11. What are the tax consequences of the plan for your business?
12. Are you ready to pay for the costs of failing to plan for your business (i.e. estate taxes, litigation costs, probate costs, capital gains tax, personal liability)?
13. Is your Estate Plan working with or against your Business Succession Plan?



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