

OWNERSHIP TRANSITION SERIES

Business Buy-Sell

“A mandatory subordinated financing agreement between the parties in a business arrangement.”

Rod Bench

79%

of business owners have no written transition plan

48%

have not done exit planning at all

50%

of business exits are involuntary*

A well-thought-out plan better prepares you and your business for life's unexpected turns.

Business Buy-Sell Agreement

This is a legally binding document that stipulates the terms of how a partner's or shareholder's interest in a business will be **reassigned** if the party leaves the business for any reason, including the five D's and retirement.

Valuation of the Business

Identifying the **correct** method for determining value, and the terms of financing the transfer. A typical agreement would control who is eligible to acquire the interest, and in what percentage.

Key Person

A key person is an individual whose know-how and contacts are critical to the success of the organization. The key person possesses the skills and experience necessary for the company to meet or exceed its financial objectives, and would be difficult to replace without an impact on revenue, customer service, and continuity of business activities.

Succession Planning After the Transition

A succession plan requires a new buy-sell agreement as the business moves under new ownership. What will that need to look like for all parties? What does identifying a new leadership group look like, and who holds responsibility and authority for the management team as the plan takes place? How will decisions be made going forward?

*Source: PricewaterhouseCoopers LLP (PwC)

Helping families in business and individuals identify and correct gaps in their financial and estate plans.